

1939.

NEW ZEALAND.

RAILWAYS STATEMENT

(BY THE MINISTER OF RAILWAYS, HON. D. G. SULLIVAN).

MR. SPEAKER,—

This is the fourth occasion on which I have had the pleasure and privilege of submitting the Railways Statement to Parliament, and the third since the Government Railways Amendment Act of 1936 again placed responsibility for the administration of the railways with the Government through the Minister of Railways and the General Manager.

In the three full years of my association with and responsibility for railway-administration I have been fortunate enough to see come to successful fruition some portion of the long-range railways policy enunciated by the present Government upon coming into office. That policy was one calling for foresight and courage in handling the whole transport situation in the general interests of public welfare, and I would like to express my appreciation of the co-operation which has existed between my Department and the Department of Transport in advancing that policy—a course which is now seen to react beneficially on the Dominion's whole economic fabric.

NATIONAL SERVICE.

The results of the railway year just ended cannot be properly or fully assessed unless they are credited with service to the Dominion much greater than that revealed by the financial position of the undertaking as a whole. This has, of course, been recognized as a feature in the State-owned railway system right from its inception and has coloured the policy of every Government, not only regarding the allocation of lines to suit the requirements of the various productive areas in the Dominion, but also in the arrangement of tariff charges which have always been based with national considerations paramount over purely railway-earning considerations. Although this fact has been known and recognized throughout the years, it is worth while emphasizing again at the present time, particularly in view of the Government's general policy of economic development, which includes a better balancing of the scales as regards the Dominion's primary and secondary industries.

Not only was it necessary to put the railways into the position where they could supply "the best possible service at the lowest possible cost," but this had to be done as speedily as possible in order to keep pace with the Government's drive for national recovery—a movement which included, of course, the assurance of opportunities for useful employment for all capable of work within the Dominion, and covering also the opening of new avenues for the coming generation.

RAILWAYS POLICY.

The railways policy also called for a broad survey of the additional possibilities for service which lay open to the national transportation system, and this required a close examination of the whole position from the technical and expert viewpoints, as well as from the viewpoint of what might be suitable and desirable in the public interest.

I therefore had the whole internal capacity of the Railways Department explored, and plans were evolved which would assist to the greatest possible extent in developing the Government's aims through a comprehensive and long-range policy applied to the Department's work.

Many projects which had been carefully examined previously—and had either been started and dropped, or left in abeyance for some more favourable time—were re-examined in the light of the Government's policy and the country's need; and as many of these were found to be both practicable and desirable—with, of course, certain revision in view of changed conditions—steps were taken as quickly as possible to have such projects brought to fruition. At the same time many new projects were planned and put under way.

The result of this large-scale planning for the public welfare in railway matters has been most encouraging; in fact, I am not aware of a single major improvement adopted under this policy that has been the subject of adverse criticism. On the contrary, each improvement made has been accorded a warm welcome and has received the best proof of public approval—namely, increased patronage.

Associated with the Government's railway plans was the decision to complete certain new lines which had been previously commenced and abandoned; and it has already been my happy privilege to see one of these works completed. I refer to the Napier-Wairoa-Waikokopu section of the Napier-Gisborne railway, which my Department took over on the 1st July, 1939.

An important aspect of this and other lines intended to further the major integration of the Dominion's transport is the necessity for ensuring the utmost mobility as between one district and another for defence purposes. In this connection not only are these new lines essential towards the Dominion's protection, but the Railway Workshops, which are the most modern and best-equipped engineering plants in the Dominion, are also playing an important part in the country's defence.

THE FINANCIAL ASPECT.

I have much pleasure in stating that the financial year ended 31st March, 1939, has been a record year for railway business, the gross revenue—for the first time in the Dominion's history—exceeding £9,000,000, the actual amount being £9,345,387. This is all the more notable following a year which also established a record in gross operating earnings.

The railway barometer, in New Zealand as in other countries, is always regarded as a good indicator of the country's prosperity, even though the fluctuations of railway business and general trade conditions may not always exactly coincide, and, viewed in this light, the increased business done by the railways, the State's biggest and most important developmental and commercial enterprise, is an indication of the strength of the country's economic position.

The gross earnings for the year totalled £9,345,387 and the gross expenditure £8,644,324, leaving £701,063 of net earnings, an increase of £68,266 over the net earnings of the previous year, after placing £990,495 out of revenue to the credit of the various Depreciation, Reserves, and Equalization Accounts.

The total expenditure (£8,644,324) was £642,935 more than in the previous year, due mainly to the payment of wages at higher rates, higher prices for coal and stores, and the cost of handling the increased business.

The net revenue of £701,063 is equivalent to 1·23 per cent. of the capital, and the amount set aside out of revenue for depreciation alone is £698,678, equivalent to 1·19 per cent. of the capital. In addition, reserves set aside out of revenue for track-renewals, slips, floods, and accidents, betterments, insurances, and workers' compensation amounted to £291,817.

The improved net financial return was helped by an increase of 10 per cent. in fares and freights in the latter months of the financial year.

I anticipate a marked improvement in the net earnings of the Department during the present financial year, for the first sixteen weeks of which the net revenue earned will be approximately £200,000 greater than for the corresponding period of last year, notwithstanding that there is a day less in this year's accounting period.

In the current financial year my preliminary estimate is for a total net revenue of £1,250,000, and the figures for the first sixteen weeks exceed that preliminary estimate, which, of course, takes into account the general activity in the building and manufacturing industries and the increased passenger traffic anticipated from the Dominion's Centennial Exhibition and Celebrations.

Attempts are sometimes made by critics of railway-administration to discount the real improvement in the railway position by separating the "operating" from the "total" revenue. But in a business which obtains over £1,300,000, or nearly 15 per cent. of its total earnings, under the heading of "subsidiary services and miscellaneous," such separation of figures (some of which are kept purely for internal accounting purposes) is useless as a means of judging the real position of the Department—particularly as the proportion of revenue earned by our subsidiary services is likely to grow larger with further development of national resources and the Government's related transport policy. The amount mentioned is practically double that earned under this heading in 1933, and is £500,000 more than the 1930 figure.

TRACK IMPROVEMENTS AND ADDITIONS.

The railway policy at present being pursued is based on the belief expressed in my 1937 Railways Statement that if the railways were to give a modern service capable of retaining and increasing traffic on a quality basis improvement of the lines to carry the traffic was a first necessity. The use of heavier locomotives, the running of faster and more frequent trains, and the provision of smoother and more comfortable travel are all dependent on line-improvements, including stronger bridges, easier grades, more generous curves, more duplications, and a larger number of extended crossing places to meet the increased density of the traffic.

The Government's policy has been to encourage the prosecution of this work, and the following brief summary of the principal line improvements during the past year throughout the Dominion indicates how actively that policy is being implemented:—

NORTH OF AUCKLAND.

North of Auckland extensive grade easements and deviations are being carried out on various portions of the main line between Newmarket and Waitakere in order to speed up traffic and to permit of the haulage of heavier loads between Newmarket and Helensville.

NORTH ISLAND MAIN TRUNK.

The main line between Huntly and Ngaruawahia was duplicated, and work is in hand on the remaining portion of line between Auckland and Frankton Junction not yet duplicated—i.e., between Papakura and Huntly.

NORTH OF NAPIER.

The track damaged by floods north of Napier has been restored, and the Department has taken over the Napier-Waikokopu portion of the Napier-Gisborne railway.

WANGANUI DISTRICT AND SOUTHWARD TO WELLINGTON.

In the Wanganui district the Greatford deviation and grade easement was recently completed and opened for traffic.

The Palmerston North duplication and deviation and the grade easement and deviation from Turakina to Okoia are being pushed ahead.

In the Wellington district the main line is being duplicated from Plimmerton to Paekakariki, except for a short section in the vicinity of the tunnels.

SOUTH ISLAND IMPROVEMENTS.

On the Picton Section the track is being relaid in heavier rails, curve easements are being carried out, and several bridges are being reconstructed in order to carry the heavier engines which will be required on the completion of the Christchurch-Picton Main Trunk railway.

At Christchurch the first stages of the reorganization of the station-yard to permit of the erection of a new station building are in hand. The car and wagon

depot has been completed, and some of the new sidings have been laid. The construction of a new pedestrian subway at Falsgrave Street is in hand, and a contract has been let for the building of the new goods-shed at Waltham Road.

In the Dunedin district the main line is being deviated and duplicated from Sawyer's Bay to St. Leonards. Grade easements are also being carried out at Bushey and Clarendon.

GENERAL TRACK MAINTENANCE AND BRIDGE IMPROVEMENTS.

During the last financial year about $40\frac{1}{2}$ miles of main lines were relaid. Of this, about $22\frac{1}{4}$ miles were relaid in 85 lb. rails. I may say that wherever relaying is required on heavy-traffic main lines the new 85 lb. standard rails are laid, replacing 70 lb. rails.

Thirty-six main-highway level-crossings were eliminated by the Main Highways Board and Railways Department by the provision of overbridges, subways, or deviations. Similar work is in hand for the elimination of further level-crossings.

The strengthening of bridges on the Midland Line between Rolleston and Arthur's Pass has been completed, and the Department's heaviest-class locomotive, the KB, will be running on this line at an early date.

I anticipate that the renewal of the Rangitikei, Waipawa, Wairau, Rakaia, and South Rangitata bridges will all be completed this year. These larger bridges are being renewed in steel superstructure on concrete piers. A start has now been made on the reconstruction of the Waiau Bridge.

From the foregoing it will be clear to all that track improvements and related works on a very large scale have been undertaken as a basic feature in the modernization of our railways.

EFFECT OF RAILWAY EXTENSIONS.

But it is not merely the intensification of traffic on existing lines for which adequate provision must be made. The many important extensions of the railway-lines now in the hands of the Public Works Department and soon to become part of the working railways mean additional traffic to the existing lines as well as in the territories they open or link up.

These include the Kirikopuni-Dargaville link of the North Auckland railway; the Paeroa-Pokeno railway to put the rich Hauraki and Bay of Plenty districts into closer touch with Auckland; the Waikokopu-Gisborne portion of the Gisborne-Napier railway to link Poverty Bay with the main railway system of the North Island; the Wharanui-Parnassus railway, linking the Picton Section with the South Island Main Trunk railway; and the Inangahua-Te Kuha line to link the Westport Section with the main South Island railway system.

MARKED IMPROVEMENTS IN THE ROLLING-STOCK POSITION.

In view of the fact that our railways have, during the past three to four years, been called upon to carry heavy year by year increases in traffic it has been necessary to keep pace with the demands as far as is possible in the supply of an adequate number of locomotives, carriages, and wagons.

Due to difficulty in obtaining material from overseas, there was unfortunately a lag in the putting into service of the additional equipment required, and at times the position in which the Department has found itself has been most acute.

Every endeavour is being made to make up the leeway, and the workshops are working at maximum capacity with this object in view; but, even so, it was realized some time ago that additional relief must be given in respect of locomotives and rail cars, and a limited number of completed units was consequently ordered from Great Britain.

It is anticipated that during the coming financial year (year ending 31st March, 1940) the demands for transportation will be exceptionally heavy, but the additional stock that will be available will enable the Department to successfully handle the normal increase plus that due to the Centennial Year's celebrations.

The wisdom of the Government's policy of increasing the capacity of the railways to handle anticipated additional traffic, combined with its actions directed towards the improvement of production in the Dominion, is seen in the fact that at

the 31st March, 1939, when demands upon the usage of wagons reached the highest point in Dominion history, the Department had 28,401 wagons in use—1,200 more than in the previous year and 1,500 more than were available in 1930, the year in which the biggest volume of traffic was handled by the Department prior to the depression.

Comparing the year 1936 with 1939, the whole rolling-stock position shows a marked improvement, both in the quality and quantity of the vehicles of all types on the system, including larger and more powerful locomotives, new and improved passenger cars, multiple-unit power coaches and trailers, and the latest type of standard rail cars.

There has been a big increase in the number of all types of wagons, particularly those needed for the conveyance of general goods and live-stock. Our wagon-capacity in the past three years has been increased by 19,000 tons, and the total number of wagons of all classes has increased by the equivalent of 1,729 four-wheeled wagons.

In the year ended 31st March, 1939, the Railway Workshops constructed 1,373 wagons, 39 passenger cars, and 5 standard rail cars, and this year I anticipate their output will give us the following new rolling-stock: 6 KB locomotives, 10 KA locomotives, 9 electric locomotives, 48 passenger-cars (including air-conditioned cars), 1 rail car, and 1,292 wagons.

Of these, 415 wagons have already been completed, as well as a KA locomotive, a KB locomotive, an electric locomotive, and 11 passenger cars.

In addition, 40 J locomotives and 10 rail cars ordered from Great Britain will arrive during the current year. At least 30 of these locomotives and 2 rail cars are expected to arrive before December.

RAIL CARS.

The successful operation of rail cars of types evolved by our own engineers and built by our own craftsmen has been one of the most notable developments in the modern service offered by the Department. It is helping to turn the tide of traffic back to the rail. So marked indeed has been its progress that the full effect of rail-car evolution would be difficult to predict; but I can safely say, from our experience with them up to the present, that in their ultimate development, whether singly or as multiple-unit trains, they will prove invaluable as an aid to the development of the more backward portions of the country in providing transport of a frequency, comfort, speed, and convenience not conceivable by any other practicable means in the territories they will serve.

For the year just ended the nine cars already in use (seven on the Wairarapa route, North Island, and two on the Midland route, South Island) ran nearly 400,000 miles and recorded a passenger-mileage of over 8,000,000.

Already the new, larger, and heavier type, the Department's standard rail car, has been running successfully for several months on the Wellington - New Plymouth route, and provides a very attractive service supplementary to that of the mail-trains.

I was also able to provide a complete service of standard rail cars to work a full passenger service on the Napier-Wairoa line, which was taken over by the Department on the 1st July. Even in the first weeks of operation the popularity of this new form of transport in the newly-opened territory is being strongly demonstrated.

A total of sixteen of these cars (some of which are being imported) will be running in various parts of the Dominion during the present year, and the response and reactions from their operation has been entirely satisfactory and is a tangible guide to the programme for construction and distribution of units of this new arm of the railway service in its work of providing suitable transport to aid in further national development and in improving still more the amenities of Dominion travel.

MULTIPLE-UNIT ELECTRIC TRAINS.

The year has seen the remarkable improvement in transport on the Wellington-Johnsonville suburban route resulting from the introduction of multiple-unit electric trains on that line. The new service has given a pronounced impetus to suburban settlement in the area served and has worked with commendable smoothness and efficiency on what, from an engineering and operating viewpoint,

is one of the most difficult railway sections in the country. So impressed have I been by the obvious advantages of this form of suburban transport that I propose to introduce a similar form of transport to work the suburban traffic on the Wellington-Paekakariki Section of the North Island Main Trunk line as soon as the necessary vehicles can be obtained.

After this is done, and after obtaining further data on the comparative economic costs and utilities of the various types of transport, the desirability of extending the use of electric multiple-unit trains on other suburban routes will be given consideration.

STANDARDIZED SUBURBAN TRAIN ACCOMMODATION.

A further step in the standardization of passenger-train accommodation in suburban areas was taken in February last, when all trains on the Wellington suburban lines were given one-class accommodation only.

The very small proportion of ordinary or season ticket passengers using the first-class cars or compartments on these services showed that much unnecessary haulage was being provided to maintain the two-class accommodation on these trains. I thought it better to standardize on one good type of car, than to continue the old, uneconomic arrangement. The result has been a saving in haulage and maintenance costs and an all-round improvement in the service given to passengers in the suburban areas concerned. I expect to develop this system still further and to apply it in other suburban areas during the present financial year.

TRANSPORT DEVELOPMENTS.

The inter-relation of the various branches of the railways has its public reaction in the efficiency and volume of transport output. The year just ended has shown the beneficial effect of station, track, rolling-stock, signal, and siding improvements, in the better time-keeping of trains, despite the increase in the total volume of traffic handled; and the personnel of the Traffic Branch deserve credit for the skill and efficiency shown in the use of the better facilities now provided to help them in the prosecution of their work.

CONFIDENCE IN THE FUTURE.

All the foregoing facts indicate that the railways are steadily settling into better shape to deal with the increasing requirements of the public. To show how the traffic position is improving I mention the fact that in the past three years the number of passengers using the railways has increased at the rate of a million a year, and in the same period the work performed in the transportation of goods has also increased.

As previously mentioned, I am looking to the railways also to help importantly in the Government's programme for increasing New Zealand's industrial production, and for this purpose it is my aim to ensure that the railways' programme of modernization and extension is well balanced on every side of their many activities and in every district throughout the Dominion—interlocking all the parts to make the whole great railway machine work smoothly for the good of the public and in effective and helpful co-ordination with the rest of the Dominion's transport.

I am looking ahead with a view to keeping the railways up to the standard necessary for dealing with the unfolding of the Dominion's productive capacity, and I am pleased to say that at the present time there is every assurance that the railways will be well equipped for the purpose.

SIMPLIFIED RAILWAYS TARIFF.

As announced in December last, a simplified tariff was under consideration and, after careful investigation of all possible reactions from what was really a very necessary but also very difficult matter to arrange, I was able, on the 1st July of this year, to bring into operation the promised tariff revision.

The main feature of the simplified tariff is that it introduces a system of rating that has long been pressed for by commercial interests by reducing the number of classes for general merchandise from four to two.

This reduction in the number of classes has had the effect of bringing the railway tariff more into line with the requirements of present-day trading conditions and, incidentally, stabilizes the rates on a lower average level.

By stabilizing the rates in this way many inequalities and anomalies have been automatically removed. Unfortunately, the conditions obtaining in the transport industry during the past decade have prevented the stabilization of the tariff along the lines just referred to, as the various scales of charges have had to be adjusted from time to time to counteract the effect of intensive and uneconomic road competition.

This in turn produced a lack of balance in the transport costs for similar services as between the different trading centres. In some instances, too, trading interests have benefited by what has been a fortuitous reduction in transport costs because of this acute competition. While the position so created was naturally availed of by those who were so fortunately placed as to be able to take advantage of these highly competitive rates, opposing interests in other areas did not enjoy the same advantages because of the absence of what was really "cut-throat" competition in the latter mentioned districts.

The simplification of the tariff and the stabilization of rates in certain cases involved the removal of local rates. Though this brings about an increase in freight charges on merchandise between certain points, the increase is very largely, if not entirely, offset by the general application of the lower standard rates.

Simply stated, goods previously carried at the two highest rates (namely, A and B) are now carried at the next lower rate (namely, C), and this position, generally speaking, will obtain throughout New Zealand.

EFFECT OF STABILIZATION.

For the purpose of comparison the following table will give an indication of the effect of the stabilization of the general merchandise rates :—

Distance, Miles.	Present Rate, per Ton.		New Rate, per Ton, Class C (including A and B).
	Class A.	Class B.	
	s. d.	s. d.	s. d.
30	30 10	26 3	22 6
60	55 9	47 3	40 6
100	76 0	63 6	51 9
200	106 10	85 5	67 6
300	132 6	102 0	80 6
400	158 2	114 10	93 3

Though the new tariff benefits ordinary merchandise goods as indicated, there are, of course, certain articles of a light, bulky, or exceptional nature, and goods which require special handling or transport, which continue to bear a somewhat higher rate than Class C.

BENEFIT TO INDUSTRY.

Secondary industries in particular will benefit materially from the operation of the new freight schedules, which are so based as to facilitate the wide-range distribution of their products. In view of the present and prospective developments in the field of secondary production it is satisfactory to record that principals of important manufacturing industries have expressed their approval of these adjustments, as have many chambers of commerce and local bodies.

What has been done is in line with the most advanced thought in transport rating in other countries, and producers and the business community alike have welcomed this new and equitable rearrangement of the railway tariff.

ROAD SERVICES.

The Department in the year 1926–27 commenced its road activities by purchasing and operating the Napier–Hastings and Oamaru–Ngapara–Tokarahi bus services. In 1928 and 1929 services operating between Wellington and the Hutt Valley and in the Christchurch area were acquired. In 1930 a bus service between Dunedin and Port Chalmers was established by the Department. Since 1933 passengers have been conveyed between Waipahi and Edievale by a departmental bus. In 1934 the first long-distance service, that previously operated by S.O.S. Motors, Ltd., between Wellington and Wanganui, was acquired. The Department's road operations on the passenger side were considerably extended in the years 1936, 1937, and 1938, when numerous long-distance services in both Islands were acquired. The Wellington–Johnsonville bus services were also taken over in 1936, the Titahi Bay service in 1937, and long-distance services between Westport and Christchurch over the Lewis Pass Road and between Greymouth and Hokitika were established in 1937 and 1938 respectively. The Lumsden–Te Anau–Eglington Valley and the Invercargill–Queenstown services were also established in 1937.

In several areas, as a result of the operation by the Department of the road passenger services, it has been possible to reduce the train-mileage and effect economies in railway operation. In other cases the road time-tables have been altered to provide services when train services are not available, thus providing improved travelling facilities for the public.

Whilst certain road goods services run in conjunction with road passenger services were acquired by the Department in 1936—namely, O'Fee's Dunedin–Balclutha, Newmans Motors, Ltd.'s Hokitika–South Westland, and Camerons Freight Service to South Westland—it was not until 1938 that extensive operations on the goods side were commenced. In May, 1938, the Department acquired the road goods service previously operated by the Highways Transport Co., Ltd., in the Wellington–Palmerston North and Hawke's Bay districts, and the services of the Felton Waikato Transport Co., Ltd., and of McClymonts Transport Co., Ltd., operating in the Auckland–Hamilton area. The policy of purchasing road goods services in competition with the rail was continued throughout the year, and altogether forty-five services, comprising 218 vehicles, were taken over. The acquisition and operation of many new services in such a short period of time, services which operated under competitive conditions not only with the railway but with each other, each with its separate buildings and organization, has been a work of considerable magnitude.

In the meantime the services have, in the main, been operated on much the same lines as formerly, but wherever practicable the traffic is being conveyed between terminal points by rail, and the collection and delivery only carried out by our road services.

At the present time the equivalent of 10,000 tons of goods per annum previously conveyed over the roads is being diverted to the rail, thus reducing road-mileage and costs. The rate schedules of the private operators built up under the competitive conditions which existed are still being adhered to by the Department (subject to 10-per-cent. increase from 11th December, 1938).

The conditions that had to be faced when the goods services were taken over were in many respects unsatisfactory. Many of the vehicles were unsuitable for the work they were called on to perform and were in poor mechanical condition. Most of the depots were inadequate and unsuitable. Furthermore, it was found that some of the operators conducted their services with a greater or lesser disregard of transport regulations, licensing restrictions, and award rates of pay and conditions of employment. The rectification of this condition of affairs was in many cases an expensive matter. Some of the services were taken over only a few weeks prior to the closing of the financial year, and some time must elapse before it is possible to put matters on a proper basis. All things considered, it is satisfactory that the new goods services as a whole earned a clear net profit of £2,027 after writing off depreciation amounting to £12,124, debiting interest on capital (including goodwill) amounting to £2,867, and making a payment of £4,946 to the railways for the conveyance of 4,490 tons of goods which were previously carried by road.

MANUFACTURE OF IRON AND STEEL CASTINGS.

As part of the general policy of the Government, Cabinet recently approved of the Department's plan for providing all its own iron and steel casting requirements.

For this purpose machinery of the most modern type is now being installed in the Department's iron and steel foundry at the Hutt Valley Workshops.

CONCLUSION.

In conclusion, let me again express my appreciation of the efficiency with which the General Manager (Mr. G. H. Mackley), his assistants, and staff throughout the Service have carried out their work during the year.

I know that the public have appreciated the high quality of service rendered, and I believe that in the current year, which includes the period of maximum work involved for the railways by the Centennial Year Exhibition and Celebrations, the Department will be able to meet every call upon it with equal satisfaction to the users of the Railways.

RESULTS OF WORKING.

The following is a statement of the results of working for the past five years :—

PARTICULARS.	Year ended 31st March,				
	1939.	1938.	1937.	1936.	1935.
Total miles open for traffic	3,319	3,323	3,320	3,320	3,320
Average miles open for year	3,319	3,322	3,320	3,320	3,320
Capital cost of opened and unopened lines	£67,075,908	£63,189,260	£60,659,783	£59,611,834	£59,477,143
Capital cost of open lines	£58,676,608	£56,065,187	£54,696,437	£54,253,059	£54,089,190
Capital cost per mile of open lines ..	£17,679	£16,872	£16,475	£16,341	£16,292
Gross earnings	£9,345,387	£8,634,186	£7,790,651	£7,004,316	£6,627,928
Working-expenses	£8,644,324	£8,001,389	£6,886,793	£5,952,839	£5,540,437
NET EARNINGS	£701,063	£632,797	£903,858	£1,051,477	£1,087,491
Interest charges	£2,418,116	£2,335,808	£2,309,754	£2,300,051	£2,330,886
PERCENTAGE OF TOTAL WORKING-EXPENSES TO GROSS EARNINGS	92·50	92·67	88·40	84·99	83·59
PERCENTAGE OF NET EARNINGS TO CAPITAL INVESTED	1·23	1·15	1·65	1·94	2·01
Railway operating earnings	£8,005,059	£7,591,825	£6,903,604	£6,243,519	£5,908,064
Railway operating expenses	£7,663,632	£7,291,785	£6,338,385	£5,523,193	£5,138,588
NET RAILWAY OPERATING EARNINGS	£341,427	£300,040	£565,219	£720,326	£769,476
PERCENTAGE OF RAILWAY OPERATING EXPENSES TO EARNINGS ..	95·73	96·05	91·81	88·46	86·98
Operating earnings per average mile open	£2,412	£2,285	£2,079	£1,881	£1,780
Operating expenses per average mile open	£2,309	£2,195	£1,909	£1,664	£1,548
NET OPERATING EARNINGS PER AVERAGE MILE OPEN	£103	£90	£170	£217	£232
Operating earnings per train-mile ..	d. 146·96	d. 142·59	d. 139·61	d. 135·60	d. 133·44
Operating expenses per train-mile ..	140·70	136·95	128·18	119·96	116·06
NET OPERATING EARNINGS PER TRAIN-MILE	6·26	5·64	11·43	15·64	17·38
Passengers, ordinary	7,813,436	8,069,018	8,284,956	7,963,824	7,809,035
Season tickets	888,844	750,497	513,063	482,146	457,546
Total passenger journeys	23,265,768	22,441,212	21,235,428	20,358,524	19,654,467
Goods tonnage	6,917,257	6,847,974	6,212,907	5,618,477	5,444,977
Live-stock tonnage	621,755	668,075	600,333	570,328	578,983
Train-mileage	13,072,615	12,777,852	11,868,083	11,050,376	10,626,400
Engine-mileage	17,817,799	17,312,921	15,984,782	14,923,175	14,277,710

For the current year it is anticipated that the revenue will reach £10,214,700, and the expenditure £8,964,659.

ANNUAL REPORT OF THE GENERAL MANAGER OF THE NEW ZEALAND GOVERNMENT RAILWAYS.

New Zealand Government Railways Department,
Head Office, Wellington, 31st July, 1939.

The Hon. the MINISTER OF RAILWAYS.

SIR,—

I have the honour to submit my report on the working of the New Zealand Railways for the financial year ended 31st March, 1939.

WORKING RESULT (Whole Undertaking).

	Budget Estimate, 1939.	Actual.		Variation 1939 with 1938.	
		1939.	1938.		
Revenue	£9,211,605	£9,345,387	£8,634,186	+£711,201	8·24
Expenditure	£8,706,207	£8,644,324	£8,001,389	+£642,935	8·04
Net revenue	£505,398	£701,063	£632,797	+£68,266	10·79
Return on capital, per cent. .. .	..	1·23	1·15	+ 0·08	6·96
Interest charges .. .. .	..	£2,418,116	£2,335,808	+£82,607	3·54
Excess of interest charges (at 4½ per cent.) over net revenue .. .	..	£1,717,053	£1,703,011	+£14,042	0·82

The net revenue for the year amounted to £701,063, compared with £632,797 last year, an increase of £68,266 (10·79 per cent.).

Revenue.—The gross revenue reached a new high level of £9,345,387, eclipsing the previous record figure established last year by no less a sum than £711,201 (8·24 per cent.) and maintaining the progressive gain in earnings which has been so marked a feature of railway working since 1935.

As from 11th December, 1938, a general 10-per-cent. increase in passenger-fares and freight rates was imposed in order to offset rising wages and other costs, and the revenue during the last four periods of the financial year benefited as a result. No allowance was made in the Budget estimate shown above for an increase in rates and fares, the additional revenue from this source amounting to approximately £220,000.

Expenditure.—The expenditure for the year amounted to £8,644,324, an increase of £642,935, or 8·04 per cent., when compared with the year 1937–38. Of the increase, wages-costs accounted for £352,625, of which sum £160,000 represents the cost of concessions granted to the staff, while the remainder, £192,625, is due to the increased wages-cost of handling increased traffic, expansion of subsidiary services, and additional maintenance expenditure. No major alteration to wage rates was made during the year. Other items of increased expenditure were—coal, £42,977; other materials, £153,356; increase in subsidiary service expenditure due to expansion of facilities (other than wages and material), £70,473; and miscellaneous expenditure, £23,504.

Detailed comment on the variations in revenue and expenditure will be made later in this report under appropriate headings.

CAPITAL ACCOUNT.

On the 31st March, 1939, the capital invested in the lines open for traffic, including the steamers and plant on Lake Wakatipu and other subsidiary services, was £58,676,608. This represents an increase of £2,611,421 as compared with the previous year.

The principal additions to capital during the year were on account of the following major works :—

	£
Improvements and additions to rolling-stock	1,330,077
Improvements to stations and miscellaneous works	29,474
Extensions and improvements to station yards	26,420
Additions to workshops buildings	98,015
Additions to workshops and locomotive depot machinery and plant	84,962
Construction, purchase, and improvements to dwellings	144,239
Stratford–Okahukura automatic and power signalling	25,315
Wellington new station and yard	64,630
Christchurch new station and yard	41,180
Purchase of road services	197,205
Papakura–Horotiu duplication	138,817
Plimmerton–Paekakariki duplication	25,535
Wellington–Paekakariki electrification	39,476
Turakina–Okioia deviation	119,396
Palmerston North deviation	36,922
St. Leonards – Sawyers Bay duplication	34,657
Miscellaneous grade easements	20,472
Elimination of level crossings	22,170
Road services, garages, and depots	76,348

RENEWALS, DEPRECIATION, AND EQUALIZATION RESERVE FUNDS.

The position with regard to the renewals, depreciation, betterments, and equalization accounts is as under :—

Account.	Credit Balance brought forward from 1938.	Contributions, 1938-39.	Expenditure, 1938-39.	Credit Balance at 31st March, 1939.
	£	£	£	£
Renewals (track)	790,490	207,168	297,325	700,333
Depreciation	321,622	698,678	346,818	673,482
Betterments	1,794	1,454	..	3,248
Slips, floods, and accidents	20,385	19,256	38,973	668
Workers' compensation	44,558	61,268	65,963	39,863
Insurance	106,169	2,671	4,592	104,248
	1,285,018	990,495	753,671	1,521,842

RAILWAY OPERATION.

The results of railway operation (excluding subsidiary services and miscellaneous non-operating revenue) on the various sections for the year ended 31st March, 1939, were as under :—

Section.	Revenue.	Expenditure.	Net Revenue.
	£	£	£
North Island Main Line and Branches ..	4,894,072	4,538,604	+ 355,468
South Island Main Line and Branches ..	2,934,006	2,932,934	+ 1,072
Kaihu	3,994	12,766	— 8,772
Gisborne	30,950	33,573	— 2,623
Westport	94,228	79,229	+ 14,999
Nelson	11,143	22,273	— 11,130
Picton	36,666	44,253	— 7,587
Total	8,005,059	7,663,632	+ 341,427

OPERATING REVENUE.

The following table shows the *operating revenue* under the main headings, together with appropriate comparisons with the previous year's figures. Information regarding receipts from *subsidiary services* and miscellaneous non-operating revenue appears later in this report.

Operating Revenue.	Amount.		Variation 1939 with 1938.		Per Cent. of Operating Revenue.	
	1939.	1938.			1939.	1938.
	£	£	£	Per Cent.		
Passengers, ordinary	1,538,881	1,475,829	+ 63,052	4·27	19·22	19·44
Season tickets	246,765	222,192	+ 24,573	11·06	3·08	2·93
Parcels, luggage, and mails	334,170	318,457	+ 15,713	4·93	4·17	4·19
Goods	5,694,936	5,411,297	+283,639	5·24	71·15	71·28
Labour, demurrage, &c.	190,307	164,050	+ 26,257	16·01	2·38	2·16
Total operating	8,005,059	7,591,825	+413,234	5·44	100·00	100·00

The revenue under all heads showed a satisfactory increase over the previous year, the increases being—Passenger, 5·16 per cent. ; parcels, 4·93 per cent. ; goods, 5·24 per cent.

The operating earnings per average mile open and per train-mile were as follow :—

Per Average Mile open.	Per Train-mile.
£	d.
2,419	146·96

The operating earnings for the last three years for the North and South Island Main Lines and Branches per average mile open and per train mile are as follow :—

	North Island Main Line and Branches.		South Island Main Line and Branches.	
	Per Average Mile open.	Per Train-mile.	Per Average Mile open.	Per Train-mile.
	£	d.	£	d.
1939	3,287	140·48	1,841	156·94
1938	3,086	137·13	1,778	150·12
1937	2,767	134·21	1,660	147·23

PASSENGER TRAFFIC.

—	1939.	1938.	Variation.	
Passenger journeys—	Number.	Number.	Number.	Per Cent.
Ordinary	7,813,436	8,069,018	— 255,582	3·17
Season	15,452,332	14,372,194	+1,080,138	7·52
Total	23,265,768	22,441,212	+ 824,556	3·67
Revenue—	£	£	£	
Ordinary	1,538,881	1,475,829	+ 63,052	4·27
Season	246,765	222,192	+ 24,573	11·06
Total	1,785,646	1,698,021	+ 87,625	5·16
Passenger train-miles	5,551,026	5,322,050	+ 228,976	4·30
„ vehicle-miles	42,767,572	42,342,681	+ 424,891	1·00
Revenue—				
Per mile of line operated	£540	£513	+ £27	5·26

While passenger train miles and vehicle miles increased by 4·30 per cent and 1·00 per cent. respectively, passenger revenue increased by 5·16 per cent.

Compared with the year 1937–38, the variations in passenger traffic, other than season tickets, are as follows :—

Description.	1939.	1938.	Variation.	
<i>Journeys.</i>	Number.	Number.	Number.	Per Cent.
Standard fare	3,429,365	3,431,168	— 1,803	0·05
Suburban	1,758,576	1,933,535	—174,959	9·05
Day and special excursion and other reduced fares	2,625,495	2,704,315	— 78,820	2·91
Total	7,813,436	8,069,018	—255,582	3·17
<i>Revenue.</i>	£	£	£	Per Cent.
Standard fare	1,229,908	1,155,946	+ 73,962	6·40
Suburban	61,540	61,363	+ 177	0·29
Day and special excursion and other reduced fares	247,433	258,520	— 11,087	4·29
Total	1,538,881	1,475,829	+ 63,052	4·27

The variations in ordinary passenger traffic were distributed between first class and second class as follow :—

—	First Class.		Second Class.		Total.	
	Number.	Per Cent.	Number.	Per Cent.	Number.	Per Cent.
Journeys	—31,969	7·95	—223,613	2·92	—255,582	3·17
Revenue	£		£		£	
	+ 13,129	4·92	+ 49,923	4·13	+ 63,052	4·27

The year's operations in respect of passenger traffic may be regarded as satisfactory, the total increase being 824,556 passenger journeys and £87,625 revenue as compared with 1937-38. The receipts from passenger traffic benefited to the extent of approximately £19,000 as a result of the 10-per-cent. increase in fares, while other factors having a favourable bearing on passenger revenue generally, and on standard fare traffic in particular, were an increase in the average distance travelled per passenger and the fact that an Easter period fell in April of the year under review, whereas no such period occurred within the previous financial year. For purposes of comparison with the figures for 1938 it should not be overlooked, however, that these gains were to some extent neutralized by the exceptional revenue (approximately £40,000) derived last financial year from the Dominion tour of the Springbok Rugby Football Team.

The decrease shown in suburban journeys, 174,959, is more apparent than real. As from May, 1937, new issues of six-trip bearer tickets and suburban twelve-trip tickets were brought into use in suburban areas, and these bearer tickets, which are accounted for under the heading of "Season tickets," have very largely superseded the use of ordinary suburban tickets. The revenue from suburban traffic shows little variation compared with the previous year due to the operation of the 10-per-cent. increase in fares. After allowing for the variations in suburban ordinary traffic as noted above, the net increase for all suburban issues (including season-ticket issues) is shown as 657,697 journeys and £24,657 revenue.

Season-ticket revenue was £246,765, an increase of £24,573 over the previous year. This increase reflects the increasing popularity in suburban areas of the new issues of bearer six-trip and suburban twelve-trip tickets referred to under suburban traffic, while a further and important factor bearing on the increase was the inauguration of electric multiple services on the Wellington-Johnsonville line on 4th July, 1938. All weekly and trip-bearer tickets combined show an increase of 832,656 journeys and £24,480 revenue. Included in these figures are the returns from the Wellington-Johnsonville service, which this year show an increase of 577,052 journeys and £12,883 revenue.

The usual excursion and other reduced fares operated throughout the year, but were not so well patronized as was the case in the previous year, the decrease being 78,820 passenger journeys and £11,087 in revenue. The extended facilities provided by the Department for recreational travel by rail have been taken advantage of by the public generally to an increasing degree in each of the post-depression years up to 1938, and the decrease under this heading during the present year was due, firstly, to the business under this heading derived from the tour of the Springbok Football Team in 1937, and, secondly, to the inclement weather conditions which prevailed throughout the Dominion prior to and during the Christmas holidays causing the postponement and in many cases abandonment of picnics and other outings, while also adversely affecting the attendance at many public functions, race meetings, agricultural shows, &c.

PARCELS, LUGGAGE, AND MAILS.

					1939.	1938.	Variation	
Revenue.					£	£	£	Per Cent.
Parcels	..	..	..	..	162,302	155,942	+	6,360 4.08
Excess luggage	..	..	..	..	7,240	7,435	-	195 2.62
Left luggage, luggage checks, bicycles, dogs, newspapers, &c.	..	..	..	..	59,400	54,142	+	5,258 9.71
Mails	..	..	..	..	105,228	100,938	+	4,290 4.25
Total	..	..	..	..	£334,170	£318,457	+	£15,713 4.93

Milk and cream traffic shows a declining tendency due to the introduction of the zoning system of cream-supplies in various districts and to the exceptionally dry months of the late summer and autumn having an adverse effect on dairying production generally. Milk transported from stations in the Manawatu area to Wellington in connection with the milk-in-schools movement was responsible for a substantial increase of over £8,000 in revenue from this source. At Wellington Station there has been an increase in outward parcels traffic.

Left luggage, dogs, newspapers, &c., again show an increase (9.71 per cent.) over last year. Revenue from the carriage of newspapers was 7.22 per cent. ahead of the previous year and accounted for £1,902 of the total increase under this heading.

The following table shows the variation in revenue under the heading of "Mails" :—

					1939.	1938.	Variation	
					£	£	£	Per Cent.
Railway travelling post-office service	..	..	..	..	28,676	27,596	+	1,080 3.91
Mails in guards' vans at half parcel rates	..	..	..	..	58,782	55,080	+	3,702 6.72
Mails carried in wagons	..	..	..	..	17,770	18,262	-	492 2.69
Total	..	..	..	..	£105,228	£100,938	+	£4,290 4.25

GOODS AND LIVE-STOCK.

The revenue and tonnage of goods and live-stock for 1939 compare with the previous year as follow :—

		1939.	1938.	Increase.	Per Cent.
Revenue..	..	£5,694,936	£5,411,297	£283,639	5.24
Tonnage ..	..	7,539,012	7,516,049	22,963	0.31

The receipts from the conveyance of goods and live-stock reached a new high level and eclipsed the previous record figure established last year by no less a sum than £283,639 (5·24 per cent.). Of that increase the sum of approximately £185,500 is attributed to the 10-per-cent. increase in freight rates.

The tonnage of goods and live-stock carried was 0·31 per cent. ahead of the previous year and 3·21 per cent. below the peak year of 1930. Net ton-miles, however, show an increase of 2·33 per cent. over 1937–38 period and of 12·24 per cent. over the year 1930. The average haul for the year was 76 miles, as compared with 75 miles last year and 66 miles in 1930.

The live-stock season was a generally disappointing one due to a variety of causes, the chief of which were the protracted spell of dry weather in the late summer and autumn approximating as it did drought conditions in some districts, and the outbreak of facial eczema amongst sheep in the North Island. Both of these factors had unfortunate repercussions on the number of live-stock coming forward to rail, while the lifting of the thirty-mile restriction in respect of the conveyance by road transport of bobby calves and cull lambs also adversely affected the movement of these classes of live-stock by rail.

A detailed analysis of the fluctuations in traffic under the main headings for the year as compared with 1938 is as under :—

		Tons.	Per Cent.	Revenue. £	Per Cent.
Live-stock	.. ..	—46,320	6·93	— 13,680	1·98
Timber	.. ..	+11,437	2·33	+ 39,114	8·38
Coal	.. ..	+77,698	4·61	+ 56,327	6·76
Other goods	.. ..	—19,852	0·42	+201,878	5·90
Total	.. ..	+22,963	0·31	+283,639	5·24

Due primarily to the causes referred to above, the number of cattle conveyed decreased by 6,021 (1·10 per cent.), calf traffic fell away to the extent of 72,034 (10·31 per cent.), while the substantial decrease of 922,052 head (8·90 per cent.) was recorded in sheep traffic. The decline in dairying production had an adverse effect on the pig-raising branch of the farming industry, and this has been reflected in the number of pigs conveyed by rail, which fell from 736,804 in 1938 to 660,145 this year, a decrease of 76,659 (10·40 per cent.).

Timber traffic shows an increase of 11,437 tons (2·33 per cent.), and a revenue increase of £39,114 (8·38 per cent.). The increase has been confined to the North Island only and is directly due to the stimulating effect on the building industry generally of the Government's housing policy. The quantities of native and imported timber carried were as follow :—

		1939. Tons.	1938. Tons.	Variation. Tons.	Per Cent.
New Zealand	.. ..	476,187	469,687	+6,500	1·38
Imported	.. ..	25,457	20,520	+4,937	24·06

Coal traffic continues to show an upward tendency, an improvement of 77,698 tons (4·61 per cent.) and £56,327 in revenue (6·76 per cent.) having been shown as compared with the previous year. The quantity of coal carried was as follow :—

		1939. Tons.	1938. Tons.	Variation. Tons.	Per Cent.
N.I.M.L. and Branches	.. ..	590,226	545,635	+44,591	8·17
S.I.M.L. and Branches	.. ..	732,381	705,913	+26,468	3·75
Westport	.. ..	435,437	427,660	+ 7,777	1·82
Small Sections	.. ..	6,296	7,434	— 1,138	15·31
Total	.. ..	1,764,340	1,686,642	+77,698	4·61

Grain traffic shows a serious decline of 52,993 tons and £19,962 in revenue. The actual grain output for the season has been less than in the previous year, and in the South Island, where four-fifths of the revenue from this commodity was produced, the unfavourable season adversely affected crops, a large portion of which have been carried over into the new year. Fruit traffic shows increases of £18,287 in revenue and 6,649 in tonnage, a large carry-over of fruit from the previous season, which was a particularly late one, being mainly responsible for the increase. Revenue from the carriage of root crops in the North Island more than held its own during the year, but in the South Island a substantial decrease of 13,279 tons and £5,404 in revenue was registered.

A satisfactory increase in both tonnage and revenue resulted from the conveyance of frozen meat and chilled beef during the year, the figures being 12,721 tons and £23,330 revenue ahead of the previous year. Heavier shipments of meat exports, particularly from the southern districts of the South Island, together with the 10-per-cent. increase in rates, have combined to bring about this favourable result.

Substantial decreases are shown in the returns from the carriage of butter and cheese, the tonnage of these commodities having decreased by 12·84 per cent., ton-miles by 12·96 per cent., and revenue by 6·58 per cent. as compared with the previous year. The whole of the decreases were in the North Island. Traffic in fat, skins, &c., shows little variation. Wool traffic improved by 12,775 tons and £21,992 in revenue. The improvement in revenue from wool traffic may be regarded as satisfactory and has been due partly to farmers having disposed of carry-over wool from the previous season during the current year and partly to more wool traffic being diverted from road transport to rail this year.

A decrease of 116,440 tons and £24,673 in revenue is shown in respect of the carriage of artificial manures. The later arrival of inward shipments of slag and phosphate at the various ports, together with a rearrangement of the sources of supply of manures in the North Island during the reconstruction of the Smart Road works appear to be the main factors responsible for the substantial decrease recorded under this heading. Traffic in agricultural lime shows little variation, a decrease of 16,662 tons in the North Island being more than offset by an increase of 19,123 tons in the South Island.

The quantity of benzine conveyed in tank wagons continues to increase year by year due to the increasing numbers of motor-vehicles now in use. An increase in revenue of £23,734 was shown for this class of traffic this year as compared with the previous year.

Traffic in general lines of merchandise continues buoyant, the returns showing an improvement of 32,215 tons and £86,577 revenue in the North Island, while a decreased tonnage of 6,885 but an increased revenue of £23,750 was registered in the South Island.

GOODS AND LIVE-STOCK STATISTICS.

The principal statistical figures dealing with the operation of goods traffic are shown below:—

	1939.	1938.	Variation.	Per Cent.
Goods-train mileage	7,521,589	7,455,802	+65,787	0·88
Goods earnings	£5,694,936	£5,411,297	+£283,639	5·24
Revenue goods tonnage	7,539,012	7,516,049	+22,963	0·31
Average haul (miles)	76	75	+1	1·33
Average revenue per ton-mile ..	2·43d.	2·35d.	+0·08d.	3·40
Average revenue per ton	15s. 4d.	14s. 8d.	+8d.	4·50

Due to the increased tariff charges as from 11th December, 1938, goods revenue per goods-train mile increased by 4·32 per cent. and the average revenue per ton by 8d.

	1939.	1938.	Variation.	Per Cent.
Total gross ton-miles revenue freight	1,843,765,273	1,813,585,028	+30,180,245	1·66
Goods-vehicle miles (loaded) ..	136,305,330	134,663,510	+1,641,820	1·22
Goods-vehicle miles (empty) ..	68,360,728	68,896,119	—535,391	0·78
Total goods-vehicle miles ..	204,666,058	203,559,629	+1,106,429	0·54

The increases are in keeping with the increase in goods traffic for the year. The ratio of “empty” to “loaded” vehicle miles shows a decided improvement.

Averages: Revenue, Freight Traffic.

	1939.	1938.	Variation.	Per Cent.
Per mile of line—				
Goods revenue	£1,721	£1,636	+£85	5·20
Total tonnage	2,278	2,272	+6	0·26
Net ton-miles	173,613	169,626	+3,987	2·35
Gross ton-miles	557,197	548,242	+8,955	1·63
Per train—				
Gross load (tons)	245·13	243·24	+1·89	0·78
Net load (tons)	76·38	75·26	+1·12	1·49
Number of vehicles (loaded) ..	18·12	18·06	+0·06	0·33
Number of vehicles (empty) ..	9·09	9·24	—0·15	1·62
Per 1,000 gross ton-miles—				
Revenue	£3,089	£2,983	+£0·106	3·55
Net ton-miles	312	309	+3	0·97
Per train-mile—				
Revenue	181·71d.	174·19d.	+7·52d.	4·32
Wagon user—				
Revenue per 4-wheeled goods vehicle ..	£198	£192	+£6	3·13
Revenue per 4-wheeled live-stock vehicle ..	£174	£193	—£19	9·84
Average wagon-load (tons)	4·21	4·17	+0·04	0·96
Average miles per wagon per day	25·63	26·21	—0·58	2·21
Average net ton-miles per wagon per annum (ordinary goods)	20·707	20,593	+114	0·55
Average net ton-miles per wagon per annum (live-stock)	12,889	15,286	—2,397	15·68

The above figures are a fairly complete record of the Department's freight traffic. The mileage operated this year was 3,309, against 3,308 last year. The increases in traffic handled per mile of line operated can be considered satisfactory.

The gross train load increased by 0·78 per cent. and the net train load by 1·49 per cent., due to the increase in the number of loaded vehicles per train.

The substantial decrease in revenue per live-stock vehicle is due to the poor season experienced, which also accounted for the large decrease in average net ton-miles per annum for this class of wagon.

OPERATING EXPENDITURE.

The following table shows the *operating expenditure* under the main headings, together with appropriate comparisons with the previous year's figures :—

Operating Expenditure.	Amount.		Variation 1939 with 1938.		Percentage of Operating Revenue.	
	1939.	1938.				
Maintenance—	£	£	£	Per Cent.	1939.	1938.
Way and works ..	1,375,829	1,278,980	+ 96,849	7·57	17·19	16·85
Signals ..	186,546	178,892	+ 7,654	4·28	2·33	2·36
Rolling-stock ..	1,832,615	1,792,562	+ 40,053	2·23	22·89	23·61
Examination, lubrication, and lighting of vehicles	85,482	78,727	+ 6,755	8·58	1·07	1·04
Transportation—						
Locomotive ..	1,727,375	1,624,383	+102,992	6·34	21·58	21·40
Traffic ..	2,208,310	2,090,471	+117,839	5·64	27·58	27·54
General charges ..	247,475	247,770	— 295	0·12	3·09	3·25
Totals ..	7,663,632	7,291,785	+371,847	5·10	95·73	96·05

MAINTENANCE OF WAY AND WORKS.

The expenditure under this head amounted to £1,375,829, an increase of £96,849 (7·57 per cent.). Of the increase the cost of effecting repairs to the permanent-way caused by slips and floods accounted for £68,616. A large part of this increase was due to the unprecedentedly heavy floods which occurred in the upper Hawke's Bay district in the autumn of 1938. Other items of increased expenditure were the payment of wages at higher rates, certain increases to the outdoor staff having operated for the full year in 1939, as compared with seven months the previous year, and increased material debits.

Taking 1926 as the standard, and fixing the index figure for that year at 100 for the expenditure on maintenance of way and works and the average mileage of line maintained, the following summary shows the position over the past five years :—

	1926.	1935.	1936.	1937.	1938.	1939.
Total expenditure ..	100	92	94	102	112	120
Average mileage of line ..	100	104	104	104	105	105

MAINTENANCE OF SIGNALS AND ELECTRICAL APPLIANCES.

The expenditure amounted to £186,546, as against £178,892 last year, an increase of £7,654 (4·28 per cent.). Increased depreciation charges, additional staff, and various wage increases due to the operation of new wages schedule were the principal causes of the increase in expenditure under this heading.

MAINTENANCE OF ROLLING-STOCK.

The sum of £1,832,615 was expended under this head during the year, an increase over the expenditure for the previous year of £40,053 (2·23 per cent.). This increase is due to heavier engine-repair charges, mainly as the result of higher wages and material costs.

Locomotive Repairs.—Expenditure under this head was £765,501, an increase of £56,745 (8·01 per cent.) as compared with 1938. Of this increase, workshops repairs accounted for £34,782, depot repairs for £13,926, and depreciation charges for £10,270. Small reductions in expenditure occurred under other headings.

The following table shows the cost of maintenance per locomotive and per locomotive-mile over a period of five years :—

Cost per Locomotive.					Cost per Locomotive-mile.				
1935.	1936.	1937.	1938.	1939.	1935.	1936.	1937.	1938.	1939.
£	£	£	£	£	d.	d.	d.	d.	d.
855	1,016	1,117	1,228	1,350	8·44	9·42	9·61	9·82	10·31

Maintenance of Carriages, Vans, and Wagons.—The total cost of repairing and painting carriages and vans was £350,803, a decrease of £12,301 (3·39 per cent.) as compared with the previous year. The cost per vehicle-mile was 1·95d., as against 2·06d. in 1938. The principal decreases in expenditure were in connection with carriage repairs (£9,739) and conversions and alterations (£6,289). Small increases in expenditure were incurred in respect of depreciation charges and in repairs due to accidents.

The following table shows the cost of maintenance per vehicle and per vehicle-mile over a period of five years :—

Cost per Vehicle.					Cost per Vehicle-mile.				
1935.	1936.	1937.	1938.	1939.	1935.	1936.	1937.	1938.	1939.
£ 112	£ 139	£ 156	£ 184	£ 175	d. 1·57	d. 1·70	d. 1·82	d. 2·06	d. 1·95

The maintenance of wagons during the year entailed an expenditure of £689,495, a decrease of £9,002 (1·29 per cent.) as compared with 1938. Reduction in expenditure occurred in wagon repairs (£13,265) and conversions and alterations (£1,883), while an increase of £6,200 was shown in respect of depreciation charges.

The cost of maintenance per vehicle and per vehicle-mile was as under (five-year period) :—

Cost per Vehicle.					Cost per Vehicle-mile.				
1935.	1936.	1937.	1938.	1939.	1935.	1936.	1937.	1938.	1939.
£ 17	£ 20	£ 22	£ 26	£ 24	d. 0·65	d. 0·69	d. 0·72	d. 0·77	d. 0·75

EXAMINATION, LUBRICATION, AND LIGHTING OF ROLLING-STOCK.

Increased traffic involving additional examination of rolling-stock was the main cause of the increase shown in expenditure under this head, the figure for this year being £85,482, as compared with £78,727 in 1938, an increase of £6,755 (8·58 per cent.).

Lighting of coaching vehicles cost £40,156 for the year, as against £37,571 last year, an increase of £2,585 (6·88 per cent.). The conversion from gas to electricity and increased train-mileage were the main causes of the increase.

LOCOMOTIVE TRANSPORTATION.

This item of expenditure shows an increase of £102,992 (6·34 per cent.), the total amount expended being £1,727,375, as against £1,624,383 last year. The increased expenditure is largely due to the additional cost of wages, additional staff, and increased cost and consumption of coal.

The quantity of coal consumed during the year was 484,423 tons, as against 473,233 tons last year, an increase of 11,190 tons. This was due to an increase of 504,878 engine-miles (2·92 per cent.).

The total consumption and cost of coal during the last three years is shown hereunder :—

			1937. Tons.	1938. Tons.	1939. Tons.
Consumption	..	..	433,266	473,233	484,423
Cost	..	..	£ 554,420	£ 690,029	£ 738,991

The average consumption of coal and cost of same per engine-mile, per engine-hour, and per 1,000 gross ton-miles for 1939 as compared with 1938 were as follows :—

					Consumption.		Cost.	
					1939.	1938.	1939.	1938.
					lb.	lb.	d.	d.
Per engine-mile	..	..	..	..	63·91	63·50	10·45	9·92
Per engine-hour	..	..	..	..	649·40	651·06	106·14	101·71
Per thousand gross ton-miles	..	..	..	..	392·12	389·46	64·09	60·84

The following table furnishes statistics of locomotive operation for the last five years :—

					1935. d.	1936. d.	1937. d.	1938. d.	1939. d.
Cost per engine-mile	..	..	..	..	18·04	18·40	20·23	22·52	23·27
Cost per train-mile	..	..	..	..	23·91	24·51	26·84	30·04	31·00
Cost per engine-hour	..	..	..	..	190·78	193·42	212·03	233·26	239·93
Cost per 1,000 gross ton-miles	..	..	..	..	116·59	117·09	128·24	141·43	147·25
					Number.	Number.	Number.	Number.	Number.
Engine-miles per engine-hour	..	..	..	..	10·58	10·51	10·48	10·36	10·31
Gross ton-miles per engine-hour	..	..	..	..	1,636	1,652	1,653	1,649	1,629

TRAFFIC TRANSPORTATION.

The expenditure under this head was £2,208,310, as against £2,090,471 last year, an increase of £117,839 (5·64 per cent.). The increased expenditure was due to the regrading of clerical positions, the operation of the higher wages schedule for the outside staff, the increased cost and consumption of stores, and the additional train-miles run.

The following analysis shows the increase in various statistics of traffic transportation for 1939 over the previous year :—

				Increase.	Per Cent.
Man-hours	..	..	..	602,662	4·25
Train-hours	..	..	..	32,429	3·70
Train-miles	..	..	..	392,732	3·03
Gross ton-miles (thousands)	..	..	..	58,820	2·13
Net ton-miles (thousands)	..	..	..	17,012	2·54

The cost of traffic services per train-hour increased by 10·68d. (1·86 per cent.), per train-mile by 0·97d. (2·51 per cent.), and per thousand gross ton-miles by 6·24d. (3·43 per cent.).

Taking the year 1926 as the standard, and fixing the index figure for that year at 100, the following table shows the position in respect of traffic transportation expenditure over a period of five years :—

	1926.	1935.	1936.	1937.	1938.	1939.
Total expenditure	.. 100	78	84	103	120	127

GENERAL CHARGES.

No detailed comment is called for in respect of expenditure under this head, the figure for 1939 being £247,475, as against £247,770 last year, a variation (decrease) of £295 (0·12 per cent.).

SUBSIDIARY SERVICES.

The following table shows the variations in revenue and expenditure for the year as compared with 1937–38 :—

Subsidiary Services.	Revenue.			Expenditure.		
	Amount, 1939.	Variation. 1939 with 1938.		Amount, 1939.	Variation. 1939 with 1938.	
	£	£	Per Cent.	£	£	Per Cent.
Lake Wakatipu steamers ..	7,168	— 456	5·98	11,313	+ 169	1·52
Refreshment service ..	167,710	+ 24,924	17·46	163,189	+ 22,252	15·79
Bookstall service ..	92,604	+ 15,885	20·71	88,144	+ 14,912	20·36
Advertising service ..	40,071	+ 2,674	7·15	35,134	+ 2,507	7·68
Dwellings ..	133,945	+ 3,262	2·50	187,193	+ 4,011	2·19
Other buildings ..	23,888	+ 3,596	17·72	15,645	+ 1,716	12·32
Road services—Passengers ..	320,158	+ 59,625	22·89	297,958	+ 61,855	26·20
Road services—Goods ..	185,454	+169,460	1,059·52	182,116	+163,666	887·08
Miscellaneous revenue (non-operating)	369,330	+ 18,997	5·42	..	..	..
	1,340,328	+297,967	28·59	980,692	+271,088	38·20

The particulars of revenue and expenditure in connection with subsidiary services over a period of three years are as follow :—

	1938–39.	1937–38.	1936–37.
	£	£	£
Revenue ..	1,340,328	1,042,361	887,047
Expenditure ..	980,692	709,604	548,408
Net revenue ..	<u>£359,636</u>	<u>£332,757</u>	<u>£338,639</u>

LAKE WAKATIPU STEAMERS.

	1939.	1938.	Variation.	Per Cent.
	£	£	£	
Revenue ..	7,168	7,624	—456	5·98
Expenditure ..	11,313	11,144	+169	1·52
Loss ..	<u>£4,145</u>	<u>£3,520</u>	<u>+£625</u>	<u>17·76</u>

Having regard to the persistently adverse weather conditions experienced over the 1938-39 Christmas holiday period, the revenue from passenger traffic, which shows a small decrease of £31, may be regarded as satisfactory. There has been evidence of a declining tendency in both goods and parcels traffic during the year, these lines of traffic being diverted to road services now controlled by the Department.

REFRESHMENT SERVICE.

—				1939.	1938.	Variation.	
				£	£	£	Per Cent.
Revenue	..	..	..	167,710	142,786	+24,924	17·46
Expenditure	..	..	..	163,189	140,937	+22,252	15·79
Net revenue	..	..	..	4,521	1,849	+ 2,672	144·51

An analysis of receipts discloses the following position :—

—				1939.	1938.	Variation.	
				£	£	£	Per Cent.
Dining-room	..	..	..	36,378	27,882	+ 8,496	30·47
Counter	..	..	..	127,767	111,757	+ 16,010	14·33
Miscellaneous	..	..	..	3,565	3,147	+ 418	13·28
Total	..	..	..	167,710	142,786	+ 24,924	17·46
				Number.	Number.	Number.	Per Cent.
Total meals sold	..	..	..	407,549	307,826	+ 99,723	32·40
Meals sold at Wellington	..	..	..	253,618	171,231	+ 82,387	48·11

The increased turnover for the year (£24,924) was due to a number of factors, the chief of which were the adding, as from 1st April, 1938, of the Milton refreshment rooms to those under departmental control, the additional revenue arising from the increase of 1d. in the price per cup of tea and coffee, and the inclusion of the receipts from Wellington Station services for the whole of the financial year under review as compared with approximately a nine-month period in the previous year.

A highly satisfactory position is revealed in respect to the receipts from services provided at Wellington Station, the turnover for the year representing 21 per cent. of the total turnover from all rooms. The Wellington new station was opened for business on 19th June, 1937, and, after making appropriate allowance for the shorter period in which the services were available in 1938 as compared with the present year, the receipts show an increase of £4,948 (22·08 per cent.).

The expenditure for the year increased by £22,252 (15·79 per cent.), this being due mainly to increased wages-costs owing to the operation of improved wages schedule and to increased consumption of stores and provisions consequent upon the greater turnover of business.

As a subsidiary service the Refreshment Branch continues to play an increasingly important part in the general activities of the Department, and the steadily increasing revenue earned each year is an indication of the high esteem in which the services provided by this Branch are held by the public generally.

The actual return to the Department from the operation of the Refreshment Branch for selected years since 1930 is as under :—

—	1930.	1932.	1934.	1935.	1936.	1937.	1938.	1939.
	£	£	£	£	£	£	£	£
Rent	11,170	9,100	9,230	9,230	9,230	9,219	9,817	10,309
Commission on cash collections	970	715	620	667	742	842	1,130	1,327
Rail fares	1,287	1,066	1,066	1,066	1,066	1,066	1,066	1,066
Rail freights	3,234	2,349	1,818	1,825	1,790	2,084	2,443	2,423
Interest	1,099	1,291	1,124	1,102	1,108	1,111	1,230	1,465
Net profit	6,981	1,681	785	2,132	4,156	2,226	1,849	4,520
Total	24,741	16,202	14,643	16,022	18,092	16,548	17,535	21,110

BOOKSTALL SERVICE.

	1939.	1938.	Variation.	Per Cent.
	£	£	£	
Revenue	92,604	76,719	+15,885	20·71
Expenditure	88,144	73,232	+14,912	20·36
Net revenue	<u>£4,460</u>	<u>£3,487</u>	<u>+ £973</u>	<u>27·90</u>

The number of bookstalls (18) at present being operated by the Department is the same as during the previous year. The satisfactory result of the year's working in respect of this service may be ascribed to the improved economic conditions generally and to increased takings at Wellington Station, where the advance in receipts over last year amounted to £10,751 (52·21 per cent.).

The higher expenditure this year is caused mainly by an increase in stock used (£12,186), due to increased turnover and to an increase in the amount charged for rent, which is on a percentage of receipts basis.

ADVERTISING SERVICE.

	1939.	1938.	Variation.	Per Cent.
	£	£	£	
Revenue	40,071	37,397	+2,674	7·15
Expenditure	35,134	32,627	+2,507	7·68
Net revenue	<u>£4,937</u>	<u>£4,770</u>	<u>+ £167</u>	<u>3·50</u>

The revenue of this branch has shown a steady improvement during the past year, an increase in revenue of £2,674, or 7·15 per cent., being shown on the previous year's figures.

An analysis of the revenue is as under:—	1939.	1938.	Variation.
	£	£	£
Outdoor advertising	31,172	28,168	+ 3,004
Publications	5,220	5,657	— 437
Miscellaneous	3,316	3,255	+ 61
Buses	363	317	+ 46
Total	<u>£40,071</u>	<u>£37,397</u>	<u>+ £2,674</u>

New business written up during the past four years is as under:—

	1936.	1937.	1938.	1939.
	£	£	£	£
Outdoor advertising	37,515	32,056	34,907	29,008
Publications	4,827	5,707	4,848	4,894
Buses	973	288	228	548
Total	<u>£43,315</u>	<u>£38,051</u>	<u>£39,983</u>	<u>£34,450</u>

A high percentage of the year's business is finalized in March of each year, but a serious decline of £4,092 is shown for the March period of the year just closed, caused by the operation of import restrictions, which have for the present prevented the renewal of a number of substantial contracts and has detrimentally affected the writing-up of long-term business. During the transition stage and until such time as the full effect of the expansion of local industries is felt it is to be expected that this class of advertising business will fall off to some degree.

The following table shows the profit and ratio to turnover for the past ten years:—

					Net Profit.	
					Amount.	Ratio to Turnover.
					£	Per Cent.
1930 .. ..	..	..	..	..	381	0·71
1931 .. ..	..	..	..	..	1,249	2·50
1932 .. ..	..	..	..	..	2,898	7·37
1933 .. ..	..	..	..	..	3,677	10·94
1934 .. ..	..	..	..	..	2,548	7·79
1935 .. ..	..	..	..	..	2,088	6·95
1936 .. ..	..	..	..	..	2,383	7·50
1937 .. ..	..	..	..	..	3,384	9·80
1938 .. ..	..	..	..	..	4,770	14·62
1939 .. ..	..	..	..	..	4,937	12·32

The total return to the Department in respect of operations of the Advertising Branch for selected years since 1930 is as under :—

—	1930.	1932.	1934.	1935.	1936.	1938.	1939.
Rent—	£	£	£	£	£	£	£
Land and buildings	1,000	1,000	800	797	800	800	1,240
Advertising-sites	10,390	8,741	7,890	7,259	8,325	10,066	10,260
Commission on cash collections ..	1,458	960	786	737	728	901	1,052
Interest	2,335	1,697	1,261	1,017	889	761	697
Railage	323	293	390	357	373	217	231
Net profit	381	2,898	2,548	2,088	2,383	4,770	4,937
	15,887	15,589	13,675	12,255	13,498	17,515	18,417

DEPARTMENTAL DWELLINGS.

	1939.	1938.	Variation.	
	£	£	£	Per Cent.
Revenue	133,945	130,683	+3,262	2·50
Expenditure	187,193	183,182	+4,011	2·19
Loss	<u>£53,248</u>	<u>£52,499</u>	<u>+ £749</u>	<u>1·43</u>

The increase in revenue is due to the additional number of houses in occupation, while the continuation this year of the extensive programme of repairs and painting of dwellings commenced in 1937–38, together with higher wages and other costs, are the factors responsible for the increased expenditure.

During the year 322 dwellings were equipped with hot-water services and 95 with electric lighting, this expenditure being charged to Capital Account. Extensions to existing dwellings by the addition of bathrooms and/or back porches have been carried out as circumstances permitted.

One hundred new houses have been constructed in accordance with the Department's housing programme. Of these, 45 were built by contract and 55 by the Department's staff.

The number constructed in each district is as follow : Auckland, 26 ; Wanganui, 9 ; Wellington, 12 ; Christchurch, 24 ; Dunedin, 11 ; Invercargill, 18.

ROAD PASSENGER AND GOODS SERVICES.

	1939.	1938.	Variation.	
	£	£	£	Per Cent.
Revenue	505,612	276,527	+229,085	82·84
Expenditure	480,075	254,553	+225,522	88·60
Net revenue	<u>£25,537</u>	<u>£21,974</u>	<u>+ £3,563</u>	<u>16·21</u>

Many references, both detailed and otherwise, are contained in past annual reports as to the reasons which in 1926–27 first led the Department to make a definite move towards combating the growing intensity of road competition by means of itself entering the field of road transport as an operator of road services. For this reason the circumstances which have led to the Department becoming a large-scale operator of road services (as is indicated by the figures shown above) requires no elaboration, and for the purposes of this report it will be sufficient to say that the movement begun in 1926–27 and which led to the acquisition by the Department of its first road service, has, under governmental authority, been continued and extended in the intervening years, until to-day the Department may claim to be the largest operator of road services, both passenger and goods, in the Dominion.

One or two road *goods* services, these being of minor importance, were acquired by the Department in 1936, in conjunction with certain road-passenger services taken over in that year, but it was not until 1938 that the Department was placed in the position of being able to take steps to acquire those privately-owned road goods services which were operating in a major way in direct and long-distance competition with rail services. The action taken in this regard was in accordance with the Government's policy of co-ordinating the long distance road and rail units operating over the principal routes throughout the Dominion. Altogether forty-five services comprising some 218 road goods vehicles passed into the control of the Railways Department during the year as a direct result of the carrying into effect of the Government's policy as outlined above, and while in the meantime the services

have, in the main, been operated on much the same lines as formerly, the Department's present plans provide for a complete reorganization of the whole of its road goods establishment, and when this is complete it is confidently expected that a highly efficient service, closely co-ordinated within itself and to the rail, will become available.

One of the results of Government control of road services previously operated by private interests has been the substantial savings in transport costs which have already been effected following the diversion to rail of traffic which, in other circumstances, would have gone forward to destination by road. This practice will be continued as and when opportunity arises, care, of course, being taken to see that no deterioration in the standard of service offered to the clients of the Department is caused thereby. Economies in railway operation and reductions in train-mileage have also been effected as a result of the co-ordination of Government-controlled road-passenger services with rail services in various areas.

A detailed analysis of the result of the year's working in respect of the operation of road passenger and road goods services appears hereunder :—

ROAD PASSENGER SERVICES.						
		1939.	1938.	Variation.		
		£	£	£		Per Cent.
Revenue ..	..	320,158	260,533	+59,625		22·89
Expenditure ..	..	297,958	236,103	+61,855		26·20
Net revenue ..	..	<u>£22,200</u>	<u>£24,430</u>	<u>—£2,230</u>		<u>9·13</u>
Passenger journeys ..	..	5,732,282	5,446,339	+ 285,943		5·25
Mileage ..	..	5,828,545	4,630,938	+1,197,607		25·86

After providing for interest on capital and for writing down capital by way of depreciation the operations of this service show a net revenue of £22,200 compared with £24,430 last year, a decrease of £2,230.

The very pleasing increase in revenue of £59,625 (22·89 per cent.) can be attributed to the inclusion of additional services taken over, the very marked improvement in the receipts from the Hutt Valley services, and the general buoyancy of traffic in all districts this year. Each service has, on the year's working, shown an excess of revenue over expenditure. This feature must be considered very satisfactory in view of the rising tendency in expenditure and the absence of any outstanding attraction such as took place in the previous year, when the South African Rugby Football Team toured New Zealand. The transference of traffic from road to rail as a result of the inauguration of the electric multiple services between Wellington and Johnsonville and the withdrawal of practically the whole of the bus service serving this district was also a substantial factor affecting the position. The absence of Easter traffic from the 1938 accounts and the inclusion of similar traffic in this year's accounts helped towards the improvement shown. The number of passenger journeys increased by 285,943 (5·25 per cent.) but, had there been no transfer to rail as a result of the change-over between Wellington and Johnsonville, the increase would have been approximately 800,000. Mileage run increased by 1,197,607 (25·86 per cent.). The 10-per-cent. increase in railway fares effective from 11th December, 1938, was not applicable to railway road passenger fares.

As compared with last year, expenditure increased by £61,855 (26·20 per cent.). Increases of wages to drivers and repair staff, higher cost of repair materials, expenditure of a non-recurring nature incidental to the taking-over of additional services, and additional costs as a result of increased mileage run were the principal items making up the increase in expenditure. During the year eighteen new service cars and two new tourist cars were placed in service.

The road passenger services were further expanded during the year when the following services were taken over by the Department :—

Service taken over.	Route.	Date taken over.
Listers Motors, Ltd. ..	Christchurch—Timaru ..	} 1st May, 1938.
	Temuka—Fairlie—St. Andrews ..	
Dalziels Motors, Ltd. ..	Masons Flat—Waikari—Christchurch ..	8th May, 1938.
Mocketts Motors, Ltd. ..	Christchurch—Waiau—Hanmer ..	8th May, 1938.
Edwards Motors, Ltd. ..	Auckland Tourist License ..	29th September, 1938.
Crests Motors ..	Hastings—Haumoana (license only) ..	1st December, 1938.
Kelly, D. G. ..	Auckland—Cambridge ..	6th March, 1939.
Harcourt, G. M. ..	Hokitika—Okarito ..	30th August, 1938.

The running of the following services was discontinued during the year.

N.Z.R. ..	Christchurch—Arthur's Pass ..	23rd April, 1938.
N.Z.R. (originally Reid and Smith) ..	Dunedin—Invercargill ..	10th September, 1938

A comparison of the results obtained on the various passenger services is as follows :—

Service.	1939 Profit. £	1938 Profit. £	Variation. £
Auckland-Rotorua	3,580	3,532	+ 48
Wellington-Wanganui	2,289	1,491	+ 798
Wellington suburban	8,598	13,164	— 4,566
Napier-Hastings	3,273	3,403	— 130
Christchurch Services	1,087	297	+ 790
Westland Services	915	2,666	— 1,751
Dunedin Services	1,140	289	+ 851
Waipahi-Edievale	22	Loss 109	+ 131
Invercargill Services	1,296	Loss 303	+ 1,599
Total	£22,200	£24,430	—£2,230

Details are as follow :—

AUCKLAND-ROTORUA SERVICES.

	1939. £	1938. £	Variation. £	Per Cent.
Revenue	45,339	23,375	+21,964	93·96
Expenditure	41,759	19,843	+21,916	110·45
Net revenue	£3,580	£3,532	+ £48	1·36
Passenger journeys	56,919	30,875	+ 26,044	84·35
Mileage	839,652	409,381	+430,271	105·10

Licenses acquired from private operators and incorporated in this service during the year were Edwards Motors, Ltd. (tourist license) taken over on 29th September, 1938, and D. G. Kelly's Auckland-Cambridge route license on 6th March, 1939.

On a return per-mile basis the revenue this year was better by 0·05 per cent. Ordinary passenger revenue shows a decline of 0·59d. per mile, while revenue from special trips increased by 0·69d. per mile. Other items of revenue showed small fluctuations. The higher expenditure was due to the inclusion of additional services this year, together with the running of some of the fleets taken over in the previous financial year for a full twelve months as against a part of the previous year.

WELLINGTON-WANGANUI SERVICES.

	1939. £	1938. £	Variation. £	Per Cent.
Revenue	15,508	14,455	+ 1,053	7·28
Expenditure	13,219	12,964	+ 255	1·97
Net revenue	£2,289	£1,491	+ £798	53·52
Passenger journeys	17,314	15,003	+ 2,311	15·40
Mileage	342,619	353,999	—11,380	3·21

Revenue for the year increased by £1,053. Ordinary passenger receipts improved by £1,362, while special trips showed a decline of £323.

Expenditure shows an increase of £255. Superintendence-costs decreased by £120 and maintenance charges by £117. Fixed charges increased by £76 and running-expenses by £416. Cleaning charges rose as the result of an additional cleaner, and hire charges increased due to requiring extra vehicles to cope with peak traffic.

WELLINGTON SUBURBAN SERVICES.

	1939. £	1938. £	Variation. £	Per Cent.
Revenue	114,074	111,930	+ 2,144	1·92
Expenditure	105,476	98,766	+ 6,710	6·79
Net revenue	£8,598	£13,164	— £4,566	34·69
Passenger journeys	4,390,170	4,306,744	+ 83,426	1·94
Mileage	1,835,319	1,690,767	+144,552	8·55

The Wellington suburban services include Wellington-Hutt Valley, Wellington-Ngaio-Khandallah-Johnsonville, and Wellington-Titahi Bay runs. With the inauguration of the electric rail service between Wellington-Ngaio-Khandallah-Johnsonville the bus service running in this district was considerably curtailed, and at present only a limited service runs between Wellington and the outskirts of Ngaio and Khandallah. The workings of the combined services show a profit for the year of £8,598, which must be considered satisfactory. Considerable improvement has taken place in the Hutt Valley during the year, the journeys increasing by 593,732 and the receipts by £11,709. The frequency of this service was increased during the year by one additional run each hour between Wellington and Waiwhetu. Other improvements of a minor nature were also made to the service.

The combined service shows a decrease in the revenue per mile of 0·97d. when compared with a combination of the services running last year. This is due mainly to the more frequent service in the Hutt Valley, loss of peak traffic and poor loading on the Ngaio-Khandallah run and low receipts during the period of change-over to the electric rail service. Ordinary revenue increased by £358, school by £196, special trips by £1,162, sightseeing by £308, and miscellaneous receipts by £120.

Expenditure increased by £6,710. Superintendence-costs rose by £1,337, maintenance by £3,113, and running-expenses by £2,888, while fixed charges declined by £628. The rise in superintendence-costs was due to more staff this year, additional rent for office in station building, and an increase in printing and advertising. The increase in the number of vehicles and the payment of higher wages to repair staff and drivers were the chief causes of the rise in maintenance-costs and running-expenses this year.

NAPIER-HASTINGS SERVICES.

		1939.	1938.	Variation.	
		£	£	£	Per Cent.
Revenue	.. ..	22,058	21,144	+ 914	4·32
Expenditure	.. ..	18,785	17,741	+ 1,044	5·88
Net revenue	.. ..	<u>£3,273</u>	<u>£3,403</u>	— £130	3·82
Passenger journeys	.. ..	587,266	533,301	+53,965	10·12
Mileage	.. ..	373,924	361,714	+12,210	3·38

Ordinary passenger receipts increased by £501, school by £254, parcels by £116, and other miscellaneous items by £42. The increase in ordinary traffic was distributed throughout the year. The improvement in school receipts is due to a new contract undertaken.

The principal increases in expenditure were superintendence (£138) and running-expenses (£1,504), while fixed charges (£483) and maintenance charges (£115) showed decreases. The increase in running-expenses was due to rise in wages of drivers, increased cost of fuel, and additional mileage run.

CHRISTCHURCH SERVICES.

		1939.	1938.	Variation.	
		£	£	£	Per Cent.
Revenue	.. ..	39,367	7,596	+ 31,771	418·26
Expenditure	.. ..	38,280	7,299	+ 30,981	424·46
Net revenue	.. ..	<u>£1,087</u>	<u>£297</u>	+ £790	265·99
Passenger journeys	.. ..	134,082	18,049	+116,033	642·88
Mileage	.. ..	788,048	129,932	+658,116	506·51

In May, 1938, three services were taken over from private operators, which accounts for the large increase in revenue. The inclusion of the additional services resulted in a corresponding increase in mileage. The revenue last year was 14·03d. per mile, while this year it was 11·99d. per mile.

The increase in wages to drivers and higher cost of repairs and maintenance were the main items of increased expenditure.

WESTLAND SERVICES.

		1939.	1938.	Variation.	
		£	£	£	Per Cent.
Revenue	.. ..	14,558	12,968	+ 1,590	12·26
Expenditure	.. ..	13,643	10,302	+ 3,341	32·43
Net revenue	.. ..	<u>£915</u>	<u>£2,666</u>	—£1,751	65·68
Passenger journeys	.. ..	58,435	44,726	+13,709	30·65
Mileage	.. ..	172,144	142,596	+29,548	20·72

During the year (30th August, 1938) Harcourt's Hokitika-Okarito passenger service was taken over and co-ordinated with the Department's Hokitika-Weheka service. Ordinary passenger revenue increased by £1,319, mails by £202, and miscellaneous receipts by £69. The inclusion of receipts from Harcourt's service, together with the inclusion of an Easter this year, were the main causes of the increase shown in ordinary passenger traffic. The increase in expenditure was due mainly to the additional mileage run, increase in wages of drivers, higher maintenance charges, and to additional charges for goodwill this year.

DUNEDIN SERVICES.

		1939.	1938.	Variation.	
		£	£	£	Per Cent.
Revenue	.. ..	53,550	54,252	— 702	1·29
Expenditure	.. ..	52,410	53,963	— 1,553	2·88
Net revenue	.. ..	<u>£1,140</u>	<u>£289</u>	+ £851	294·46
Passenger journeys	.. ..	457,008	468,103	—11,095	2·37
Mileage	.. ..	1,168,228	1,229,324	—61,096	4·97

Several factors combined to bring about a reduction in receipts as compared with last year, the main one being the reduction in mileage due to the transfer of the Dunedin-Invercargill service to the Invercargill group, which shows an increase in revenue of £903. The decrease in revenue was more than offset by a fairly substantial drop in expenditure, the net result for the year's working showing an improvement of £851 (294·46 per cent.) as compared with the previous year.

WAIPAHI-EDIEVALE SERVICES.

			1939. £	1938. £	Variation. £ Per Cent.	
Revenue	..	..	1,090	1,102	— 12	1·09
Expenditure	..	..	1,068	1,211	— 143	11·81
Net revenue	..	..	£22	—£109	+£131	..
Passenger journeys	..	..	8,404	8,570	— 166	1·94
Mileage	..	..	29,251	30,031	— 780	2·60

The revenue from this service shows very little variation when compared with last year. Insurance £22, maintenance-costs £84, and hire of vehicles £49 were the principal decreases in expenditure.

INVERCARGILL SERVICES.

			1939. £	1938. £	Variation. £ Per Cent.	
Revenue	..	..	14,614	13,711	+ 903	6·59
Expenditure	..	..	13,318	14,014	— 696	4·97
Net revenue	..	..	£1,296	— £303	+£1,599	..
Passenger journeys	..	..	22,684	20,968	+ 1,716	8·18
Mileage	..	..	279,360	283,194	— 3,834	1·35

The reorganized and co-ordinated service that has operated since the 4th October, 1937, has borne fruitful results. The revenue, which in 1937, was 10·16d. per mile, rose in 1938 to 11·62d., and this year to 12·55d.

Superintendence £72, fixed charges £364, and maintenance charges £325 all show decreases when compared with previous year, while running-expenses increased by £65. The fall in fixed charges was due to a reduction in insurance (fire and accident) of £327.

The decrease in maintenance charges was due to the closing of the repair shop at Queenstown and to high establishment charges for Invercargill garage last year. The increase in running-expenses was the result of higher rent this year and the higher rate of wages paid to drivers.

ROAD GOODS SERVICES.

			1939. £	1938. £	Variations. £ Per Cent.	
Revenue	..	..	185,454	15,994	+ 169,460	1,059·52
Expenditure	..	..	182,117	18,450	+ 163,667	887·08
Net revenue	..	..	£3,337	—£2,456	+ £5,793	..
Tonnage	..	..	101,901	12,035	+ 89,866	746·71
Mileage	..	..	2,804,262	225,565	+2,578,697	1,143·22

During the year thirty-six road goods services operating in the North Island and nine in the South Island were, in accordance with Government policy, taken over from private operators. The expenditure under this head includes full provision for depreciation (£15,080) and interest on capital, including goodwill payments, amounting to £3,426.

Details of the various services are as follow :—

AUCKLAND GOODS SERVICE.

							1939. £
Revenue	..	..	..	..	..	..	61,086
Expenditure	..	..	..	..	..	..	54,503
Net revenue	..	..	..	..	..	..	£6,583
Mileage	..	..	..	..	..	..	797,079
Tonnage	..	..	..	..	..	..	31,165

This service comprises the following licenses :—

Name	Route	Date taken over.
Felton Waikato Transport Co., Ltd.	Auckland-Hamilton	2nd May, 1938.
McClymonts Transport, Ltd...	Auckland-Hamilton	23rd May, 1938.
Northern Transport, Ltd. ..	Auckland-Whangarei-Dargaville ..	7th June, 1938.
A. F. Hicks	Auckland-Hamilton	18th July, 1938.
M. J. Hilder and Sons	Auckland-Otorohanga	26th September, 1938.
F. Parsons	Auckland-Te Awamutu	26th September, 1938.
A. B. Carter (license only) ..	Auckland-Otorohanga	26th September, 1938.
L. Hjorth	Auckland-Cambridge-Hamilton..	1st August, 1938.
H. E. Salter	Auckland-Morrinsville	} 21st November, 1938.
	Auckland-Matamata	
	Auckland-Putaruru	

The net result from the working of this group was very satisfactory particularly in view of the heavy expenditure necessary to maintain the vehicles in a reasonably efficient condition. Receipts from this service were 18·39d. per mile, or 39s. 2d. per ton, while expenditure, after making full provision for depreciation and for interest on capital, including goodwill payments, was 16·41d. per mile, or 35s. per ton.

GISBORNE GOODS SERVICE.							1939. £
Revenue .. ..	..	..	..	..	..	..	4,163
Expenditure .. ..	..	..	..	..	..	..	4,087
Net revenue .. ..	..	..	..	..	..	..	£76
Mileage .. ..	..	..	..	..	..	..	49,413
Tonnage .. ..	..	..	..	..	..	..	1,054

This service, which is co-ordinated with the Auckland-Taneatua section of railway, operates between Taneatua and Gisborne on a system of through-booking from Auckland to Gisborne, and *vice versa*. The service was taken over from the Auckland-Gisborne Transport Co., Ltd., on the 29th October, 1938, and the indications are that it will return a satisfactory net revenue to the Department.

WELLINGTON { Palmerston North Wanganui Wairarapa } Goods Services.							1939. £
Revenue .. ..	..	..	..	..	..	..	90,419
Expenditure .. ..	..	..	..	..	..	..	94,692
Net loss .. ..	..	..	..	..	..	..	£4,273
Mileage .. ..	..	..	..	..	..	..	1,553,392
Tonnage .. ..	..	..	..	..	..	..	51,092

This service comprises the following licenses :—

Name.	Route.	Date taken over.
<i>Wellington - Palmerston North - Hawke's Bay.</i>		
Highways Transport Co., Ltd.	Wellington - Palmerston North	1st May, 1938.
Masons Transport, Ltd. ..	Wellington - Palmerston North	1st May, 1938.
H. B. W. Osborne	Wellington - Palmerston North	21st August, 1938.
J. M. Thomson	Wellington - Palmerston North	21st August, 1938.
Hurley's Transport Co. ..	Wellington - Palmerston North	1st August, 1938.
S. Goldingham (license only)	Shannon-Wellington	1st May, 1938.
H. J. Williams and Co., Ltd.	Wellington-Feilding	18th September, 1938.
Cunningham Carrying Co., Ltd.	Wellington - New Plymouth	18th July, 1938.
C. F. Doggett	Napier-Dannevirke-Wellington	13th November, 1938.
W. J. Lankey	Dannevirke-Wellington	13th November, 1938.
Symes Transport, Co., Ltd. ..	Wellington-Woodville-Dannevirke ..	13th November, 1938.
J. G. Heron	Wellington - Palmerston North - Napier ..	21st November, 1938.
E. C. Lay	Napier-Wellington	16th March, 1939.

Name.	Route.	Date taken over.
<i>Wellington – Wanganui – New Plymouth.</i>		
Hardy's Transport, Ltd. ..	Wellington–Hawera	29th May, 1938.
S. Wright and Co. ..	Wellington–Hawera	1st June, 1938.
New Plymouth Express Co., Ltd.	New Plymouth – Hawera	10th June, 1938.
Wellington–Raetihi Transport (Tomkies)	Wellington–Raetihi	5th September, 1938.
<i>Wellington–Wairarapa.</i>		
P. L. Darke ..	Masterton–Wellington	10th December, 1938.
D. W. Page (Hopcroft's) ..	Pongaroa–Makuri and Wellington ..	20th October, 1938.
A. J. Allison ..	Masterton–Wellington	17th October, 1938.
S. G. Cook ..	Greytown–Wellington	10th December, 1938.
W. J. McGill ..	Masterton–Wellington	10th December, 1938.
H. M. Cherry ..	Featherston–Wellington	28th January, 1939.
Hadley Bros. ..	Carterton–Wellington	28th January, 1939.
J. F. Cleghorn ..	Wellington–Pahiatua	25th February, 1939.
G. P. Hatfield ..	Wellington–Masterton	4th March, 1939.

The adverse balance shown by this group is partly the result of the high costs necessary to bring many vehicles which did not come up to the Department's standards of mechanical fitness to a reasonable state of efficiency, the low competitive rates operating throughout the routes covered by these services and to non-recurring initial expenditure consequent upon the taking-over and amalgamating of these fleets. With the co-ordination of the component parts of this service, which will necessarily take time, better results should be evidenced. Expenditure at 14·63d. per mile includes full provision for depreciation and interest on capital, including goodwill payments. Revenue was 13·97d. per mile.

CHRISTCHURCH GOODS SERVICES.							1939. £
Revenue .. ..	..	..	..	..	..	..	1,466
Expenditure .. ..	..	..	..	..	..	..	1,825
Net loss .. ..	..	..	..	..	..	..	£359
Mileage .. ..	..	..	..	..	..	..	32,006
Tonnage .. ..	..	..	..	..	..	..	1,083

The following are the licenses comprising this service :—

Name.	Route.	Date taken over.
A. B. Haywood	Geraldine–Timaru	27th November, 1938.
Whittaker, Payton, and Co., Ltd.	Christchurch – Ashburton – Methven ..	4th March, 1939.
	Christchurch–Waiau	
	Kaikoura–Rangitata (horses only) ..	
A. J. M. Wheeler (license only)	Kaikoura–Dunedin (furniture only) ..	4th December, 1938.
	Christchurch – Timaru – Waimate (deviate Geraldine–Fairlie)	

The license acquired from A. J. M. Wheeler is being operated in conjunction with the other services. The loss shown is due to the short time since acquisition and the initial non-recurring expenditure incurred in taking over these services. The receipts were 10·99d. per mile, and expenditure 13·68d. For the four weeks ended 31st March, 1939, there was an excess of revenue over expenditure, which indicates that with a longer period of running better results will be forthcoming.

WESTLAND GOODS SERVICE.						
	1939. £	1938. £	Variation. £	Per Cent.		
Revenue	21,324	13,965	+ 7,359	52·70		
Expenditure	20,124	16,502	+ 3,622	21·95		
Net revenue	£1,200	—£2,537	+£3,737	..		
Mileage	252,902	193,094	+59,808	30·97		
Tonnage	13,652	10,676	+ 2,976	27·88		

This service has experienced a satisfactory working-year, no disturbing factors having been experienced in the way of washouts of bridges or roads. The revenue was particularly good during the twelve months under review and shows a distinct improvement over the previous year. An increase in drivers' wages as a result of a new award was one of the factors contributing to the increased expenditure this year.

DUNEDIN GOODS SERVICES.

		1939.	1938.	Variation.	
		£	£	£	Per Cent.
Revenue .. ..	..	6,996	2,029	+ 4,967	244·80
Expenditure .. ..	..	6,886	1,948	+ 4,938	253·49
Net revenue .. ..	..	£110	£81	+ £29	35·80
Mileage .. ..	..	119,470	32,471	+86,999	267·93
Tonnage .. ..	..	3,855	1,359	+ 2,496	183·66

This service comprises the following licenses :—

Service taken over.	Route.	Date taken over.
O'Fees South Road Service ..	Dunedin - Clinton - Tahakopa	} 20th September, 1936.
Riseley's Ltd.	Dunedin-Balclutha	
Oamaru-Dunedin Freight Service	Dunedin-Invercargill	21st March, 1938.
Miller and Robertson ..	Oamaru-Dunedin	12th December, 1938.
G. F. J. Dorward	Dunedin-Queenstown	6th March, 1939.
A. D. Thomas	Dunedin-Oamaru	18th March, 1939.
Foote and Co., Ltd. ..	Dunedin-Invercargill	18th March, 1939.
J. Maxwell	Dunedin-Invercargill	1st April, 1939.
	Dunedin - Roxburgh - Shingle Creek ..	15th April, 1939.

Prior to the taking-over of the additional services in March, 1939, these goods services were run in conjunction with the Dunedin road passenger services. Revenue at 14·05d. per mile slightly exceeded the expenditure, which was 13·83d. per mile. With the inclusion of the new services a big increase in mileage resulted. A better indication of the value of this service to the Department will be obtained after a longer period of working.

MISCELLANEOUS REVENUE (NON-OPERATING).

The revenue under this heading comprises miscellaneous non-operating revenue such as land and siding rentals, commission, deed fees, advertising rights, interest on investments, and internal interest charges. The total revenue this year was £369,330, as compared with £350,333 last year, an increase of £18,997. An increase in internal interest charges due to the expansion of subsidiary services was the primary cause of the variation.

RAIL-CAR SERVICES.

Rail-car services on two routes were in operation throughout the year, viz. :—

Route.	Commenced running.
Christchurch - Greymouth - Hokitika	5th August, 1936.
Wellington - Wairarapa - Palmerston North	17th September, 1936.

The following statement shows the results of the operation of these services for the year 1938-39 as compared with 1937-38 :—

	1938-39.	1937-38.	Variation.
Revenue—	£	£	£
Passenger	28,070	25,983	+ 2,087
Parcels, mails, and newspapers	2,843	3,123	— 280
	£30,913	£29,106	+ £1,807
Expenditure	£27,437	£26,043	+ £1,394
Net revenue	£3,476	£3,063	+ £413
Mileage	393,129	362,991	+ 30,138

Details of the operation of the two services are shown hereunder :—

CHRISTCHURCH - GREYMOUTH - HOKITIKA.

The revenue for the year amounted to £10,569, as compared with £9,192 for last year, an increase of £1,377. Expenditure decreased from £6,272 to £5,030, a decrease of £1,242. The revenue and expenditure per mile for 1939 were 17·45d. and 8·30d. respectively, as compared with 20·14d. and 13·74d. per mile for last year.

This service is maintained primarily for the purpose of conveying newspapers from Christchurch to the West Coast of the South Island, accommodation for passengers being limited to nineteen persons in each of the two small Diesel units operating the service.

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	9·71
Payments	38,503	27,090	+11,413	42·13
	<u>£1,725*</u>	<u>£6,433†</u>	<u>—£8,158</u>	<u>126·81</u>

* 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.
To merchants, manufacturers, and others in New Zealand ..	1,264,027	4	8
Through Trade Commissioner in Australia	179,843	4	1
Through High Commissioner in London	1,820,637	14	1
Material manufactured in railway workshops	400,210	5	10
Coal and coke	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
	<u>£4,520,085</u>	<u>8</u>	<u>6</u>

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 programmes and extra stocks of native and imported timber.

For the year ended 31st March, 1939, the amount paid by the Department for exchange on purchases made through the High Commissioner, London, was £369,040 14s. 7d. The Railways Department is also required to pay sales-tax on taxable items purchased in New Zealand, but it has not been possible to estimate, with any degree of accuracy, the total amount paid by the Department by way of sales-tax during the financial year under review.

The total issues to all branches (including coal) for the year amounted to £3,628,487 15s. 5d., as against £2,809,282 9s. 8d. last year, an increase of £819,205 5s. 9d.

A summary for six years showing the value of purchases and issues of stores (exclusive of coal) together with the value of stocks on hand (stores and coal) at the close of each year, is as under :

Year.	Purchases.	Issues.	Stocks on Hand.		
			Stores.	Coal.	Total.
	£	£	£	£	£
1934	1,059,879	969,067	451,683	157,637	609,320
1935	1,269,171	1,136,243	584,611	160,177	744,788
1936	1,436,696	1,400,858	622,899	144,888	767,787
1937	1,971,314	1,719,414	874,800	107,653	982,453
1938	2,662,302	2,082,195	1,107,653	167,347	1,275,000
1939	4,001,478	2,854,721	1,907,113	153,128	2,060,241

The increase in value of stock during recent years has been brought about by several factors, the chief of which have been the great expansion in the Department's activities, including the heavy construction programmes and the increase in price of materials and the charging of exchange on all overseas purchases. Another factor having a bearing on the increase was the delay in delivery of orders placed in 1936 and 1937, whilst orders placed subsequently were delivered in practically all cases on due date with the result that there was an accumulation of material on hand at the close of the year which will be withdrawn for use during the current year.

Comparatively few overseas orders are now being placed, and a substantial reduction in stores stock should take place during 1939-40.

COAL-SUPPLIES.

The following return shows the purchases of coal made during the last six years :—

	Tons.		Tons.
1933-34	381,596	1936-37	433,795
1934-35	422,334	1937-38	544,222
1935-36	437,959	1938-39	505,189

Only New Zealand coal is used by the Railways Department, which has imported no coal during the last seven years. Of the purchases of coal made in 1939, 284,419 tons were hard coal and 220,770 tons soft coal. The average consumption of coal per week during the year was 9,920 tons, an increase of 57 tons per week compared with the previous year.

TIMBER-SUPPLIES.

Several large orders for hardwood timber and sleepers were placed in Australia during the year.

During the year the Department's supplies of native timber have been drawn from Mamaku Sawmill. At Maroa the Department's new sawmill is about to be brought into operation, all arrangements in connection with the erection of the sawmill buildings, &c., having now been almost completed.

The Department's timber area at Pokaka has throughout the year been operated under license to private interests under the oversight of officers of the Department's Forestry Branch.

FORESTRY BRANCH.

The tree-planting and other work of the Forestry Branch has been continued throughout the year, a fairly favourable, if somewhat dry, season having facilitated the general operations of the Branch.

During the year approximately 242 acres were dealt with by planting, blanking, and beautification, the areas receiving attention being distributed as follows :—

- Athenree : Blanking, 96 acres ; new planting, 4 acres.
- Whangarei : New planting, 44 acres.
- Maungaturoto : New planting, 11 acres.
- Foxton : New planting, 72 acres.
- Hutt : New planting, 10 acres.
- Kaiwarra and Trentham : Beautification, 5 acres.

The nursery operations of the Branch have met with considerable success during the year. At the Athenree Nursery the output during the planting season was 159,000 trees, while the tally of this season's crop, which is now ready for planting, amounts to 205,000 trees. The trees grown at Athenree are mostly of the eucalyptus species. At Woburn Nursery a great proportion of the trees raised were grown in pots to ensure striking. Some 26,416 trees of various species were distributed from this nursery during the year.

The other operations of the Branch during the year comprised the clearing of firebreaks in plantations, the control of the Pokaka bush operations, the clearing of heavy scrub land at Hutt and elsewhere, and maintenance duties of a general character.

WORKSHOPS.

The locomotives, rolling-stock, machinery, and tools have been maintained in good working-order during the year.

LOCOMOTIVES.

One electric locomotive which was imported from England was placed in service during the year. Nine electric locomotives were under construction in the workshops at the close of the year, and when completed 7 of these will be placed in service in the North Island and 2 in the South Island. Also under construction were 35 class KA and six class KB steam-locomotives. Forty J class locomotives are being constructed in England to the order of this Department. Four class WF locomotives were sold to the Tasmanian Government Railways during the year.

Three new boilers were built for replacement purposes, while 14 were under construction at the end of the year. Three hundred and ninety engines passed through the workshops during the year, and of these, 211 received a major overhaul. Twenty engines were fitted with electric headlights.

Six electric motor coaches and 6 trailer coaches were imported from England during the year and placed in service on the Wellington-Johnsonville suburban line.

At the 31st March, 1939, there were 572 locomotives in service—555 steam, 12 electric, and 5 electric-battery shunting-engines. Twenty-one petrol shunting-units were in use at the close of the year.

The tractive effort of the locomotives in service (other than electric-battery shunting-engines) at 31st March, compared with the two previous years, was as follows:—

	1939.	1938.	1937.
Number of locomotives in service ..	567	570	570
Total tractive power, in pounds ..	10,610,108	10,684,559	10,691,829
Average tractive power per locomotive, in pounds	18,713	18,745	18,758

CARRIAGES.

Thirty-nine carriages were built and placed in service during the year. Of this number, 4 were first class, 11 first-class combination day-sleeping, 2 first-class coupe, and 22 second-class.

Seven carriages were written off during the year, 12 were converted for departmental purposes, and 2 were converted for use as shelter sheds. The number of carriages in service at the close of the year was 1,489. One hundred and six carriages of varying types were under construction or on order at the close of the year.

Twenty carriages had their lavatories improved (water-sealed hoppers fitted), 15 had steam-heating apparatus installed, 3 had Westinghouse water-heating equipment fitted, and 4 had their bogies fitted with Isothermos axle-boxes. Nine carriages were equipped with guards' compartments, 1 had electric-lighting equipment installed in substitution for coal-gas lighting, 4 sleeping-cars were converted to second-class day cars, and 15 carriages had alterations made to their internal fittings. Thirty-nine new carriages and 5 existing carriages were equipped with roller-bearing bogies, making a total of 162 carriages so equipped in service. Seventeen carriages were fitted with air-conditioning equipment.

During the year 1,456 carriages passed through the workshops, and of these, 1,120 received heavy repairs.

BRAKE-VANS.

On the 31st March, 1939, there were 473 brake-vans in service with 81 building or on order. Two brake-vans were written off, and 2 were reclassified as service vehicles (1 travelling workshop—1 plough van).

Four hundred and sixty-two brake-vans passed through the workshops during the year, and of these, 323 received heavy repairs.

Eleven postal vans were in service at the end of the year, and 7 of these passed through the workshops during the year, 6 receiving a major overhaul.

RAIL CARS.

At the close of the year 15 rail cars were in service. Five Standard rail cars were built in workshops during the year, and 1 was building at the close of the year. Ten Standard rail cars are being imported from England.

WAGONS.

During the year 1,373 wagons were built in workshops and placed in service. Of these, 315 were sheep-wagons, 30 cattle-wagons, 19 chilled-beef wagons, 11 platform wagons, 12 frozen-meat wagons, 6 ventilated wagons, and 980 general-utility wagons of the LA type. In addition, 4 petrol-tank wagons were built for private companies.

Two hundred and eight wagons were written off and 16 sold, leaving 28,401 in service at the end of the year.

The number of wagons that passed through the workshops was 20,321, and of these, 15,158 received heavy repairs. Wagons of all types, totalling 3,459 in all, were on order and under construction at the close of the year; of this number, 2,104 will be placed in service in the North Island and 1,355 in the South Island.

TARPAULINS.

At the close of the year 24,138 tarpaulins were in service. Tarpaulins repaired in the workshops numbered 16,757, while 4,854 new tarpaulins were issued as replacements.

CRANES.

Five new cranes were placed in service during the year. Of these, 1 was constructed in the workshops, being a pneumatic coaling crane, while the remaining 4 were 2-ton petrol electric cranes imported from England.

TRANSPORTATION BRANCH.

The train-mileage for the year (exclusive of shunting and departmental mileage) was 13,072,615 as compared with 12,777,852 for the previous year, an increase of 294,763 train miles. The passenger miles run were 5,551,026 compared with 5,322,050, an increase of 228,976. The goods and mixed train miles were 7,521,589 compared with 7,455,802 for the previous year, an increase of 65,787.

Particulars of the revenue train mileage run in the various sections are as under :—

Section.						1938-39.	1937-38.	Variation.
Kaihu	..	..	..	..	..	13,488	13,632	— 144
Gisborne	..	..	..	..	..	59,624	43,940	+ 15,684
North Island Main Line and Branches	..	..	..	..	..	8,361,257	8,036,723	+324,534
South Island Main Line and Branches	..	..	..	..	..	4,486,925	4,530,610	— 43,685
Westport	..	..	..	..	..	69,883	69,782	+ 101
Nelson	..	..	..	..	..	39,218	39,826	— 608
Picton	..	..	..	..	..	42,220	43,339	— 1,119
Totals	..	..	..	..	..	13,072,615	12,777,852	+294,763

TRAIN SERVICES.

The following table shows the average late arrival of the express, mixed, and suburban trains for the year :—

AVERAGE LATE ARRIVAL OF TRAINS, YEAR ENDED 31ST MARCH, 1939.

Year ended	Period ended													Average for Year, in Minutes.	
	May.	May.	June.	July.	August.	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.	March.	March.		
Express and Mail Trains.															
1939	13.38	11.05	7.01	6.03	6.14	7.08	4.58	4.35	3.00	7.99	7.38	5.79	4.83	6.81
1938	5.28	6.99	5.67	8.51	7.73	5.79	3.58	3.20	3.11	12.15	9.37	9.70	6.17	6.71
Long-distance Mixed Trains.															
1939	10.94	9.55	8.55	5.42	6.38	5.86	4.00	5.24	4.94	6.12	6.38	8.26	8.62	6.94
1938	8.74	8.81	5.40	7.78	6.32	4.71	4.65	4.66	4.78	6.31	7.16	12.66	12.23	7.24
Suburban Trains.															
1939	1.24	1.09	1.14	2.04	0.93	0.82	0.41	0.42	0.35	0.52	0.71	0.62	0.74	0.85
1938	0.60	0.77	1.54	1.43	0.99	0.67	0.55	0.69	0.48	1.01	0.85	1.00	0.83	0.87

These figures include delays arising from all causes, including slips, floods, washouts, engine and other mechanical failures, and traffic delays at stations.

Slips, floods, washouts, and other line interruptions were again severe during the year and reflected adversely upon the normal timekeeping of the train services, particulars of these interruptions being as under :—

From 14th to 16th April, 1938, slips between Te Wera and Kioere blocked the line and dislocated the train services in this area.

The Greymouth-Rewanui line was blocked by slips from 15th to 18th April inclusive.

Serious flooding occurred in the Napier-Putorino area towards the end of April, 1938, and goods services on the East Coast line to Wairoa from Napier were cancelled until the line was restored and normal running resumed in December.

The line between Hastings and Napier was impassable for four days in April, 1938, owing to flooding in this area.

On 4th May a severe gale, accompanied by high tides, damaged the approaches to the railway bridge on the south side of Tauranga and also the track on the northern end, traffic being interrupted until the following day.

On 5th and 6th May severe flooding between Tomoana and Whakatu dislocated traffic in this area.

On 29th May a large slip blocked the Rewanui line, which was not cleared for normal services until the 5th June.

Heavy rain caused a subsidence of the track between Tariki and Norfolk Road on 11th June, and four wagons on a goods-train were derailed when passing over the damaged line, resulting in heavy delays to the morning train services in this area.

On 21st June a north-bound goods-train ran into a slip between Waimiha and Ongarue and disorganized traffic.

The Lyttelton line electric services were disorganized from 22nd to 25th June through the Lake Coleridge power-supply failing.

On 4th July train services on the Southbridge Branch were cancelled owing to washouts on this line.

On 5th and 6th July the train services on the Outram Branch were disorganized through severe flooding. On 5th December the flooding of the Taieri River again dislocated traffic on this line.

A severe storm in the North Auckland district on 26th July dislocated the normal running of train services at several points, and it was not until the 28th idem that normal services were resumed.

On 29th July an early morning goods-train ran into a slip between Owaharoa and Karangahake Tunnel, the engine and several wagons being derailed and traffic was dislocated as a result.

On 10th August the line between Tangarakau and Heao was completely blocked by a slip. A goods-train ran into this obstruction and became derailed.

On 9th September the line between Belmont and Melling was rendered unsafe for traffic owing to erosion by the waters of the Hutt River, causing dislocation of suburban traffic on the Hutt line for several days.

From the 1st to 5th October slips blocked the Manawatu Gorge, necessitating the cancellation of all services and the conveyance of passengers between Woodville and Palmerston North by bus. Further slips occurred on the 13th October, necessitating the adoption of the same procedure for working traffic until the 19th idem, when the Gorge was finally cleared.

On the 2nd and 3rd December flood-waters and debris blocked the Midland line between Inchbonnie and Poerua, causing interruption to traffic.

The Fairlie Branch services were cancelled on 3rd December owing to floods, passenger traffic being conveyed by road.

On 12th December a heavy subsidence of the track occurred between Waione and Waimiha, involving delays to traffic for two days while repairs to the line were being effected.

On 9th January, 1939, exceptionally high tides caused a washout on the Bluff line between Clyde and Kew, the passenger traffic being handled by road services during the day.

A series of slips on the Midland line between Moana and Kaimata on 12th January disorganized traffic to and from the West Coast.

On 16th and 17th January heavy flooding in the Southland district blocked the line between Waipahi and Pukerau, preventing the passage of trains. The roads between Clinton and Gore were also blocked.

Several washouts occurred on the North Auckland line on 6th February, resulting in considerable delays to trains.

The following is a *résumé* of the more important alterations to the train services :—

A general improvement in the transport facilities provided for both passenger and goods traffic in the North Auckland area was brought about as from 18th May, 1938, as a result of a reorganization of the main line and Kaikohe Branch train schedules, together with the provision of additional services.

In June, 1938, the stopping-place at Pitcaithly's on the Upper Hutt line was transferred to a new site at Andrews, this rearrangement being effected in order to provide improved travel facilities for the expanding settlement in the latter area.

The multiple-unit electric services on the Wellington-Johnsonville suburban line were inaugurated on Monday, 4th July, 1938, the time-table providing for a twelve-minute service in both directions during the morning and evening peak hours, and a half-hourly service during the slacker periods of the day. Since their inception the electric services have functioned satisfactorily, while the speed and comfort of the new units, together with the general excellence of their appointments, have been the subject of very favourable comment by suburban residents and others.

On account of the small number of first-class passengers travelling on the Wellington suburban services the continuance of the running of first-class cars in this area was not considered warranted, and accordingly their use was discontinued as from February, 1939. The provision of second-class accommodation only on suburban trains in the Wellington suburban area has afforded a greater measure of flexibility in the handling of the various services.

In order to provide for a greater measure of safety in working trains between Whangarei and Opua, also to facilitate the handling of train services generally in this area, the tablet system between Whangarei and Whakapara was extended from the latter station to Opua, a distance of thirty-five miles.

GENERAL.

The goods and live-stock traffic for the year was 7,539,012 tons, as compared with 7,516,049 tons for the previous year, an increase of 22,963 tons.

The difficulties experienced in the matter of wagon-supply during the peak season of the year were considerably less pronounced this season, due, in a measure, to the autumn distribution of artificial manures and agricultural lime being spread over a more lengthy period, also to the fact that 980 new general-utility goods-wagons were placed in service during the year.

In those instances during the year where wagon requirements were not adequately met the cause may be attributed to the abnormal movement of traffic taking place over relatively short periods, also to the detention of wagons at country stations through the inability of consignees to take prompt delivery of consignments, more particularly of inward loads of fertilizer and lime.

The position in respect of live-stock traffic has been considerably easier this year, due, in part, to the conditions obtaining within the industry itself, while the provision of 345 additional new stock-wagons has facilitated the movement of this traffic.

The rapid development of the chilled-beef industry over the last few years has necessitated the construction of additional wagons for handling this traffic, and during the year nineteen special-type chilled-beef wagons were provided for this purpose.

In pursuance of the policy of improving the standard of passenger accommodation, thirty-nine new carriages of the most modern type were placed in service during the year. These are being utilized on the Auckland-Wellington, Auckland-New Plymouth, and Christchurch-Invercargill express services. As additional new carriages are made available these will be allocated to other important express train services in both Islands.

A new type of combined day and sleeping car has been provided, and these are being run on the Auckland—New Plymouth express services and the Sunday express trains between Invercargill and Christchurch.

The use of shunting tractors at stations has effected considerable savings in the shunting-work of goods and mixed trains at some of the principal stations, and it is therefore proposed to utilize these units more extensively. Seven additional shunting tractors of a more powerful type will shortly be distributed to stations in both Islands.

On 4th December, 1938, a further section of the Papakura-Horotiu duplication scheme was brought into operation, the line between Ngauwahia and Huntly (9 miles 12 chains) being opened for double-line working on that date. The opening of this additional section of double track has greatly facilitated the movement of traffic in the Frankton Junction—Huntly area.

The work of reorganizing the Huntly yards and the duplication of a further section of line between Huntly and Ohinewai is approaching completion, and when this section is opened approximately half the distance between Auckland and Frankton Junction will be operated on the double-track system.

A trial was made of running the Christchurch-Greymouth express services daily between the Christmas and Easter holiday periods instead of four days per week, but the support afforded the innovation was insufficient to justify the continuance of the daily service.

The rail-car services operated over the Wairarapa route between Wellington and Palmerston North, also the smaller units running between Christchurch and the West Coast, have been continued in service with satisfactory results. Owing to the increasing traffic it has been necessary to provide an extra rail car between Wellington and Masterton on Friday nights, this car leaving Wellington at 6.13 p.m. and returning from Masterton at 9.25 p.m.

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. During the initial stage, these rail cars have functioned satisfactorily and have been well supported by the travelling public.

During the year the Railways Department, in conjunction with the Public Works Department, has continued to operate goods services over the East Coast line between Napier, Wairoa, and Waikokopu. The traffic handled over this line has shown every indication of development, the movement of live-stock traffic being particularly pronounced. The unopened portion of the line between Putorino and Waikokopu was handed over to this Department for general traffic working on 1st July, 1939. The time-table, which provides for standard rail-car services for passenger traffic, is framed to provide for connection at Napier with the Wellington-Napier express trains in both directions, while, in addition, local rail-car services will operate between Napier and Wairoa. A time-table suitable for both through and local requirements will be provided for goods traffic.

The acquisition of the road motor services operating between Christchurch, Hawarden, Culverden, and Hanmer permitted of a co-ordination of the rail and road services in the North Canterbury area, and from 30th January, 1939, the running of passenger and mixed trains on the north line beyond Waipara was discontinued, the passenger traffic to and from the northern district being dealt with by the road services in conjunction with the passenger train from Christchurch to Parnassus, and *vice versa*. This co-ordination scheme increased the road mileage by approximately 20,000 miles annually, but effected a reduction of approximately 47,000 train miles per annum.

During the year considerable attention has been given to the matter of improving the seating, lighting, and heating of the carriage stock.

With the heavier type of engines now in use and the more lengthy trains being hauled, the existing facilities at a large number of stations are inadequate for train crossing purposes, resulting in difficulties being experienced in handling trains, thereby occasioning delays which have a reflection upon the time-keeping of services generally over a wide area. In order to obviate inconvenience arising from this source an extensive programme aimed at increasing the yard accommodation at a large number of stations is in hand, and already improvements have been carried out at several stations with beneficial results.

BRANCH LINES.

The operating revenue from branch lines totalled £379,911, a decrease of £6,254 (1·62 per cent.) compared with the previous year. Passenger traffic shows a decline of £3,395 and goods traffic a decrease of £3,129. Parcels traffic shows a decrease also. Mails and miscellaneous revenue show small increases.

The operating expenditure was £557,814, an increase of £3,510 (0·63 per cent.) compared with the previous year. Increased costs in connection with maintenance of rolling-stock, traffic transportation, and locomotive-running were the main factors responsible for the increase in expenditure.

After allowing for the main line "feeder value" of branch line traffic, the operating loss on branch lines was £155,129. Interest charges amounted to £386,276, making a total loss of £541,405 as against a loss of £531,953 for the previous year, an increase of £9,452 (1·78 per cent.).

Of the total revenue of £379,911 the South Island branches earned £260,979, or 68·69 per cent. The decrease over last year in the South Island was £14,386, or 3·83 per cent., while the improvement in the North Island amounted to £8,132, or 7·34 per cent.

Passenger revenue declined in both Islands, the decrease being general, nineteen branches showing decreases amounting to £3,689, while nine showed increases of £294. Goods revenue showed an increase of £8,314 in the North Island and a decrease of £11,443 in the South Island. Parcels revenue increased by £356 in the North and decreased by £832 in the South Island.

The principal increases and decreases in expenditure on branch lines are shown hereunder :—

						Variation.	
						£	Per Cent.
Waiotira-Kirikopuni	..	..	..	..	..	— 1,027	9·65
Paeoa-Taneatua	..	..	..	..	..	— 6,547	4·92
Waipara-Parnassus	..	..	..	..	..	— 2,163	7·71
Lincoln—Little River	..	..	..	..	..	+ 1,764	13·40
Darfield-Whitecliffs	..	..	..	..	..	+ 2,446	61·30
Washdyke-Fairlie	..	..	..	..	..	+ 1,018	6·75
Pukeuri-Kurow	..	..	..	..	..	+ 1,026	7·26
Waiareka-Ngapara	..	..	..	..	..	+ 1,525	23·70
Wingatui-Cromwell	..	..	..	..	..	+ 1,661	1·20
Milton-Roxburgh	..	..	..	..	..	— 1,969	6·39
Waipahi-Edievale	..	..	..	..	..	+ 1,603	15·04
Invercargill-Tokanui	..	..	..	..	..	+ 1,761	12·80

ISOLATED SECTIONS.

The results of operations of isolated sections were as follow :—

Kaihu.—Revenue amounted to £3,994 and expenditure to £12,766. These figures show a decrease of £746 and an increase of £4,385 respectively. All classes of traffic show a decline, goods traffic decreasing by £683. The higher expenditure was almost entirely due to an increase in maintenance of way-and-works expenditure incurred in bringing the permanent-way, &c., up to a higher standard in anticipation of the Kaihu Branch line being connected up with the main North Island system.

The total operating loss on the section was £8,772, compared with £3,641 last year.

Gisborne.—Revenue amounted to £30,950, as compared with £23,499 last year, an increase of £7,451 (31·71 per cent.). Heavy metal traffic and increased traffic in timber and goods carried at special rates were the main factors responsible for the increase in revenue.

Expenditure increased by £6,773 (25·27 per cent.), the figure for this year being £33,573, as compared with £26,800 last year. The increased expenditure was largely due to increased running brought about by the additional traffic handled.

The operating loss on the section was £2,623, as compared with £3,301 last year.

Nelson.—Revenue was £11,143, as against £11,955 last year. Expenditure amounted to £22,273, and showed a decrease of £854 compared with 1937–38. Reduced coal traffic was mainly responsible for the decline in receipts, while the decrease in expenditure was brought about by a reduction in the amount spent on rolling-stock maintenance and repair.

The operating loss on the section decreased by £42 in 1938–39 as compared with the previous year.

Pictou.—Revenue amounted to £36,666, an increase of £2,746 (8·10 per cent.). Expenditure totalled £44,253, as compared with £38,683 in the previous year.

All classes of traffic contributed to the increase in receipts. Heavy way-and-works expenditure and increased locomotive and transportation charges were mainly responsible for the increase in expenditure.

The operating loss on the section increased from £4,763 last year to £7,587 this year.

Westport.—Revenue amounted to £94,228, an increase of £2,502 (2·73 per cent.). An increase in the amount of coal carried (7,777 tons) is responsible for the increase shown in receipts, other lines of traffic showing small variations. Expenditure increased from £75,570 in 1937–38 to £79,229 this year (4·84 per cent.). The increase in expenditure was mainly due to the costs involved in carrying out a heavy repair programme for engines, boilers, cars, and wagons.

The operating profit on this section amounted to £14,999, which is less by £1,157 compared with 1937–38.

PUBLICITY BRANCH.

The Publicity Branch has had a year of extended activity in publicizing the numerous improvements in rail transport and related services associated with the upward trend of traffic and the progressive policy applied to the provision of modern railway facilities, as well as in keeping the public informed regarding the many ways in which the Department can be useful to them, and in extending knowledge of the general operations and purposes of the railways.

In following the policy of using only sound and proven media for its advertising activities the Branch made few extensions to the publicity arrangements found most suitable for its purposes by practical experience. Newspaper advertising, which has remained the principal factor in the various campaigns, has been well supported by the publication of a series of interesting and informative articles on every phase of railway operation in most of the country's leading journals. The readiness with which this material has been published provides evidence not only of a full appreciation of the "Back to the Rail" movement, but also of the Branch's continued good relations with the press.

Response to radio advertising was carefully checked, and results were so encouraging that the Branch's use of broadcasting commercially has been considerably extended with complete justification.

With the publication and display of the Department's new set of six pictorial posters, travel publicity by this method reached a new standard for New Zealand. Many complimentary references to the excellence of these posters, in both design and printing, have been received. Their general attractiveness and interest-creating qualities have drawn favourable comment by overseas visitors especially. Bearing in mind the fact that, under a reciprocal arrangement, posters issued by the Branch are prominently displayed on the railways of most of the principal countries of the world, the set recently released should be appreciably helpful in inducing tourists to visit the Dominion, especially during the Centennial year.

The Photographic and Plan Printing Section is keeping abreast of improvements in its sphere and is now regarded as one of the best-equipped and most efficiently operated organizations of its kind in the country. Numerous illustration blocks, reproduced from the Department's copyright photographs, were lent on request for publication in various newspapers and magazines. The use of photographs in arousing interest in New Zealand's attractions among people in many other countries has been extensive, particularly in Australia, where coloured enlargements, supplied by the Branch, were featured in special displays at the New Zealand Government's various tourist bureaux.

On the plan-printing side the work undertaken and also the revenue earned have easily constituted a record.

Several new publications were issued during the year. The most important of these was "The Case for the Railways," a booklet review of the Department's activities. Other literature included second editions of *New Zealand Railways Illustrated* and of the booklet *New Zealand Railway Station Names and Their Meanings*, for both of which there has been a very strong demand. Souvenir time-tables were prepared for the opening of the Wellington-Johnsonville line for electric multiple-unit passenger-services, and for the opening of the Napier-Wairoa section of the Napier-Gisborne Railway. A further series of the popular "See New Zealand by Rail" folders was also produced.

The Branch is always ready for co-operation with public and private organizations in campaigns for the promotion of tourist traffic in various districts, and considerable work of this kind has been done during the year.

COMMERCIAL BRANCH.

One of the most important matters that has received attention during the year has been a general revision of the scales of charges with the objective that fares and freights should be brought into line with present-day requirements.

An essential feature of the operations of a national transport organization such as the railways is that the system of charges should be governed by such principles as establish conditions of stability and equality in its application. Unfortunately, the conditions obtaining during the past decade have precluded of this requirement being fully met, due to the fact that the relationship of the various scales of charges has had to be adjusted from time to time so as to counteract the effect on the railway financial position of the progressive attrition of higher-rated traffic resulting from the continued development of road competition.

The effect of this trend is reflected in a lack of balance as between the transport costs which different communities are required to meet, due to the existence of a multiplicity of "local" or differential rates introduced to safeguard rail-borne traffic. In many cases trading interests have benefited by what has been, in effect, a fortuitous reduction in transport costs. Whilst the position thus created was quite acceptable to those favourably affected, opposing interests in other areas which, in the absence of road competition, did not enjoy the advantage of reduced freight rates complained with some justification of being deprived of the natural advantage which they claimed they should rightly enjoy by virtue of their closer proximity to the common market. There are many instances of this nature where the trading relationship between different communities which had developed under stabilized conditions has been subjected to disturbance by the operation of differential freight rates.

The measures which have recently been adopted with the object of giving effect to the Government's policy of co-ordinating the existing services of transport on the principal routes throughout the Dominion and eliminating redundant units have resulted in a marked amelioration of the past competitive conditions and so paved the way for a general reconstruction of the rates structure along the lines previously indicated.

As a major step in this direction provision has been made for the merging of the two highest merchandise rate classes (A and B) in the third highest class (C). Consequent on this adjustment those commodities at present chargeable under Classes A and B will enjoy a much lower freight standard.

The lowering of the freight level resulting from the elimination of the two highest-rate classes will have the effect of bringing the standard rates within measurable distance of the many local rates now operating, and it has therefore been possible to make provision for the elimination of many local rates. In some cases the transition from local rates to the standard charges will result in a slight decrease in the established transport costs, whilst in others the reverse position will obtain. Such variations will, however, apply only to goods conveyed to or from the specified points where local rates now operate. Any increases in costs incidental to the elimination of the local rates will be offset either wholly or in part by the application of the reduced-rate standard to the large volume of goods transported between points outside the existing local-rates areas and which are at present subject to charges at the standard rates.

Having regard to the general conditions as they now exist, the reversion to stability in the matter of freight rates presents a problem of considerable complexity. Taking all factors into account, however, the revised scales incorporate many desirable features, and a more equitable distribution of the incidence of the rates will be achieved from their adoption. To the extent that the adjustments are designed to provide the community as a whole with the service of transport at a reasonable cost, and that there can be no suggestion of the parochialism which previously obtained in the manner of their application, the consensus of opinion must favour the new freight schedules.

In order that the position relating to the tariff revision should be viewed in its proper perspective it should be borne in mind that the proposals apply solely to goods coming under the heading of general merchandise, which comprise approximately 8 per cent. of the total rail-borne tonnage. The lower-rated bulk goods, comprising, in the main, commodities essential to industrial development and representing approximately 92 per cent. of the aggregate rail-borne tonnage, are in no way affected by the adjustments.

BULK TRAVEL VOUCHERS.

The issue of season tickets to meet the requirements of those people making regular or extensive use of the train services is a well-established feature of railway operations. No similar provision, however, exists for travel by the road passenger services, which are now extensively operated by the Department. To correct this deficiency an innovation in the form of bulk travel vouchers has been introduced. These are available for purchase at rates representing a reduction in the ordinary fares for 2000 miles or over of travel to be completed within a period of twelve months.

Although the vouchers are primarily intended to meet the requirements of those contemplating extensive travel by the Department's road passenger services, they will also be available for first-class travel by train on any occasions that holders may desire to use them for that purpose.

WEEK-END AND SPECIAL EXCURSIONS.

Particular attention has been devoted during the year to the development of special day and week-end passenger traffic, and facilities have been provided by way of special trains and reduced fares to encourage usage of the railway for short-term recreational outings. This section of the passenger business has shown a remarkable expansion over a relatively short period of years, as evidenced by the fact that the figures for the past year—viz., 2,625,495 passenger journeys and £247,433 revenue—represent an increase of 45 per cent. and 88 per cent. respectively over the relative figures for the year 1932-33.

FARMERS' EXCURSIONS.

There has been evidence of a revival of interest in the organized farmers' tours, which were successfully promoted by the Department some years ago but were not proceeded with in succeeding years on account of the unfavourable economic conditions.

During the past year two important tours of this nature were accomplished by large parties of farmers from the Southland and Westland districts respectively.

In keeping with the general objective of the tours the itineraries provided for visits to the principal scenic resorts and points of farming and industrial interest.

Apart from the recreational value of the farmers' tours the opportunity which they provide for observing the conditions obtaining in other areas is of definite educational value to the visiting farmers, and it is satisfactory that the two outings arranged last year were successful in every respect.

NEW ZEALAND CENTENNIAL EXHIBITION.

A matter of considerable importance to exhibitors of goods at the New Zealand Centennial Exhibition is the decision to provide free transport by rail for *bona fide* exhibits on both the outward and return journeys to and from Wellington. It is anticipated that the exhibits will comprise goods of a wide range and of considerable volume, and the concession will therefore represent a valuable contribution by the Department towards the national undertaking.

WAY AND WORKS BRANCH.

The following are the principal features connected with the operations of the Way and Works Branch during the year :—

Permanent-way.—The re-laying carried out during the year was as follows :—

Main Line and Branches—	M.	C.	L.
70 lb. rails relaid with 85 lb. new rails	22	16	29
55 lb. rails relaid with 85 lb. new rails	1	16	10
53 lb., 55 lb., 56 lb., 65 lb., and 70 lb. rails relaid with 70 lb. new rails ..	13	58	10
55 lb. rails relaid with 55 lb. new rails	0	0	23
Relaid with 55 lb., 56 lb., and 70 lb. second-hand rails	3	26	34
Total	40	37	6

New Works.—The work of duplicating the main line between Papakura and Horotiu has made steady progress during the year, a further portion of double track between Ngauawahia and Huntly, a distance of 9 miles 12 chains, being opened for traffic on 4th December, 1938.

Good progress continues to be made with the Scroggy Hill grade easement and duplication works, and it is anticipated that the earthwork will be completed during the coming year in readiness for a start to be made with platelaying. Satisfactory progress is also being made with the Henderson-Swanson-Waitakere grade easement.

Developmental work on the St. Leonards-Sawyers Bay Deviation is being carried out. At the north end the tunnel portal has been opened out for 40 ft., and this will shortly be concreted. The south portal has also been opened out, and most of the driving of the tunnel will be done from this end. The work is proceeding satisfactorily.

Sleepers and Ballast.—During the year 285,459 new sleepers were laid (including 10,934 used on the Palmerston North Deviation and 4,416 on the Plimmerton-Pukerua Deviation). A total of 234,482 cubic yards of ballast was placed on the track during the year.

Bridges.—The strengthening and renewal of bridges has proceeded according to programme during the year, a number of bridges having been close-sleepered, while several small bridges have been replaced with concrete culverts.

The principal bridge works in hand are the renewal of the Rangitikei, Waipawa, South Rangitata, Rakaia, and Wairau Bridges. The foundations of the first four bridges have been completed by the contractors while the foundation of the Wairau Bridge is under construction.

Level Crossings.—The provision of subways and overbridges to eliminate level crossings is proceeding according to plan, this work being carried out in collaboration with the Main Highways Board. Thirty-six main-highway level crossings were eliminated during the year. A number of level crossings were tar-sealed during the year.

Fences and Cattle-stops.—A large number of gangs of workmen have been employed throughout the year in erecting and repairing boundary fences. This work was subsidized by the Labour Department.

Protective Works.—The driving of piles and placing of stone in connection with the foreshore protection works at Oamaru has been proceeded with during the year. Five hundred and sixty concrete blocks were placed in position on the foreshore, while some 23,895 cubic yards of stone from Sawyers Bay and Enfield quarries have also been deposited.

At New Plymouth the seawall was strengthened by the deposit of 2,560 cubic yards of rock.

Buildings and Wharves.—All buildings and wharves have been maintained in a satisfactory condition. Additional office accommodation has been provided at several stations, while alterations and extensions to numerous other buildings have been effected during the year. The programme of painting of buildings has been proceeded with during the year.

Dwellings.—All dwellings have been maintained in good order.

Platforms and Cattle-yards.—During the year new loading facilities were provided at several stations, while the work of enlarging and improving the existing cattle-yards at certain stations was also carried out.

Unemployed Relief.—During the year an average of 1,508 casual workers have been employed on earthworks for grade easements, deviations, improvements to track, cutting noxious weeds, repairing fences, &c.

SIGNAL AND ELECTRICAL BRANCH.

Papakura-Horotiu Duplication.—During the year a further section of double-line automatic signalling between Ngauawahia and Huntly (9 miles 12 chains) was brought into use, superseding the existing single line automatic signalling. Co-incident with the above, power-interlocking apparatus was brought into use at Taupiri.

Stratford-Okahukura-Taumarunui.—The section of automatic signalling installed between Stratford and Whangamomona was brought into use during the year, and it is anticipated that work on the remaining section between Whangamomona and Okahukura will be completed and brought into operation at an early date. The installation of centralized traffic-control equipment for the Taumarunui-Okahukura Section has been completed and brought into use. This apparatus, which is the first installation of its kind in New Zealand and represents the latest development in signalling, enables the signals and points at Taringamotu (2 miles 65 chains north of Taumarunui) to be operated and controlled from Taumarunui.

Napier-Gisborne.—Overseas material to be used in connection with the installation of automatic signalling on this section has now arrived. A commencement has been made with the necessary line work.

Wellington New Station and Yard.—The signalling and interlocking work at Wellington new station and yard is complete. Arrangements for the installation of centralized traffic-control apparatus on the Wellington-Paekakariki section are in hand.

Whakapara-Opua.—Tablet-working has been brought into use on this section. Fixed signals have been provided at Hukerenui, Maromaku, Motatau, and Kawakawa.

Christchurch Station.—Schedules have been prepared for material required, and design work is in progress. The transfer of the Signal and Electric Lines Inspector's depot from Christchurch to Addington is almost completed.

Te Kuiti-Puketutu.—A commencement has been made with the installation of automatic signalling between Puketutu and Te Kuiti. This work will include the remote operation of the new crossing-loop at Waitete by means of centralized traffic-control equipment.

Frame-levers.—Frame-levers and points have been installed at forty stations.

General.—Much work of a general character has been undertaken throughout the year. At several stations alterations and additions have been carried out to the existing signalling and interlocking apparatus, motor points have been provided at several crossing-loops, and a number of stations and sidings have been equipped with tablet locks.

At Auckland additional track circuits have been installed, and similar work has been put in hand at Invercargill, Greymouth, and Blackball. At Waitaki Bridge approach lighting of the "Down" signal has been installed.

The crossing-loop at Pitcaithly's has been closed and a new crossing-loop opened at Andrews on the automatic signalling section between Lower Hutt and Upper Hutt.

The total number of signalling installations in use throughout the system is as follows:—

	M.	Ch.	Number.
Miles of single-line automatic signalling	224	78	..
Miles of double-line automatic signalling	99	26	..
Automatic crossing-loops			39
Automatic switch-locked sidings			42
Power interlockings			40
Mechanical interlockings			96
Interlocked tramway crossings			7
Fixed signals and Woods' locked stations			301
Tablet locked sidings			280

Tablet-working.—Tablet was installed on the section between Whakapara and Opua, Hukerenui Motatau, and Kawakawa being equipped as "switch-out" stations and Maromaku, Otiria, and Opua as permanent stations.

Waihou was opened as a special holiday switch-out station, and Ahuroa, Wharepapa, Pukemiro, and Lochiel converted to switch-out working.

Rotowaro was closed as a switch-out station and equipped as a permanent station.

The tablet on the Wellington Johnsonville and Taumarunui-Okahukura sections was superseded by automatic signalling.

Wellington, Ngaio, Khandallah, Johnsonville, and Taringamotu were closed as tablet stations.

The present position with regard to block working is as follows:—

Total mileage equipped with tablet instruments	1,594
Number of tablet instruments in use	891
Number of tablet stations	359
Number of tablet exchangers	318

Telegraph and Telephone Facilities.—During the year 335 miles of copper wire were erected in new circuits. A new pole-line was built between Milton and Lawrence, giving a direct telephone service to Dunedin from the Lawrence Branch.

Between Wellington and Palmerston North, via the Wairarapa, train-control selective telephones were installed, and similar work is in progress on the Napier—Palmerston North section. In addition, train-control apparatus was provided between Greymouth and Hokitika, linked in with the system between Christchurch and Greymouth.

The rebuilding of the communication lines between Parnassus and Waipara, connecting with the new South Island Main Trunk line, is nearing completion.

The construction of the pole-lines being built in conjunction with the Public Works Department on the Napier—Gisborne and South Island Main Trunk railways has continued during the year.

In Dunedin a 150-line automatic exchange with a three-position manual board combining Railway and Post and Telegraph lines and two cord-circuit repeaters, providing more efficient service for long-distance calls, have been installed.

At Napier a new fifty-line manual-telephone exchange was installed.

A new fifty-line switchboard tied in directly with the Wellington Station Exchange has been installed at the Hutt shops and extra circuits provided to meet the increased requirements between Wellington and the workshops.

A platform-announcing system was installed at Dunedin.

The statistics of communication facilities are as follows:—

Morse instruments	148
Telephones	3,364
Miles of wire	18,231
Miles of poles	3,118
Railway exchanges, automatic	9
Railway exchanges, manual	13
Public-exchange connections	680

Level-crossing Alarms.—Flashing-light signals have been installed as follows: Huntly, Hakanoa Road; Paeroa, Pokeno Paeroa Road; Claudelands, Grey Street; Hastings, St. Aubyn Street; Waikanae, Akatarawa Road; Amberley, Douglas Road; Greymouth, Herbert Street; Edendale, Salford Street.

The necessity for their use having disappeared following the provision of overhead bridges, subways, or deviations, traffic alarms at nine crossings have been removed.

Flashing lights were added to the bells at Bridge Street, Mataura, and superseded wig-wag signals at New Lynn, Titirangi Road; Feilding, Kimbolton Road; and Levin, Queen Street.

The total number of level crossings now fitted with automatic devices is 119.

In addition there is a number of manually controlled bell signals.

TRACTION.

Otira.—Designs were completed during the year for the provision of a rectifier substation to replace the present steam-station. Tenders were called and orders for material placed. Renewal of the tunnel catenary and relocation of the positive feeder were continued and will be completed at an early date.

Wellington-Johnsonville Suburban Line.—The electrified service commenced in July, and extensive trials were carried out in testing the substations. The substations and the overhead equipment have since functioned without interruption to the services. The control room has been staffed during the hours of traffic for the remote control of the substations.

Wellington-Paekakariki.—The duplication of the line between Plimmerton and Paekakariki has involved considerable alterations and additions to the overhead equipment and transmission lines. The erection of double-line overhead is in progress. Complete redesigning of the overhead catenary wire system was necessary on account of curve easements and alterations to the permanent-way.

Investigation work in connection with electrification of the Rimutaka Tunnel Deviation, Hutt Valley, and Auckland suburban lines has also been undertaken during the year.

MAIN WORKSHOPS.

Systematic maintenance of the substations attached to the main workshops has been carried out during the year, and also the maintenance of the other electrical appliances, including motor generators motor alternators, rotary converters, and switchgear.

Additional lighting-points and motors have been wired by the workshops' electricians under permit, and this work has been inspected.

The rearrangement of the foundry at the Hutt Workshops has involved a considerable amount of electrical reticulation, including the relocating of the electric steel furnace and core ovens.

Power has also been provided for the new tinsmiths' shop, which included a new 11,000 volt substation, cable feeders, and local reticulation for lighting and power.

GENERAL.

On the Sawyers Bay - St. Leonards duplication a field workshop for the new tunnel works was provided with electrical supply.

Lifts and cranes under the control of the Department have been regularly inspected and maintained. Improvements in the operating of the goods and passenger lifts at Auckland were also effected.

Several electrically-driven water-pumping plants for water services were provided, and those already in use, together with the gas-pumping plants have been maintained.

The electrically-driven machinery provided at the Wiri ballast pit was reticulated.

The new Stores Shipper's building and bus garage at Wellington were connected to the Department's reticulation system and lighting and power connections provided.

The electrical reticulation of the Maroa Sawmill is in hand.

Motor installations completed number 20.

During the year electric lighting was installed in the stations and yards at Hikurangi, Hoteo, Mount Smart, Renown Siding, Matata, Westmere, Matamau, Hawarden, Michies Crossing, Clifton, Wayby, Wellsford, Rotowaro, Pukemiro, Porewa, Whakarongo, Waimangaroa Junction, Rangitata, Waikiwi, Awarua.

Ninety-five houses were equipped with electric lighting.

Statistics of electrical equipment are as follows:—

Number of houses electrically lighted	..	..	..	..	2,998
Number of stations electrically lighted	..	..	..	..	409
Number of substations	..	..	..	..	23
Total capacity of substations	..	..	..	..	15,890 kVA.
Number of station yards flood lighted	..	..	..	..	14

TRACK, PLANT, AND ROLLING-STOCK.

The track, bridges, structures, signalling-appliances, rolling-stock, locomotives, and other plant are in good order and efficient for the work required of them.

STAFF.

The total number of staff employed at the 31st March, 1939, including those on works chargeable to capital, was 25,138, as compared with 22,963 for the previous year. The average number actually at work throughout the year was 24,342, compared with 21,954 the previous year.

Of the average number of staff at work during the year 15,627 were permanent and 8,715 were casual employees. The average number of men engaged exclusively on works chargeable to capital was 2,419, as compared with 1,816 during the previous year.

During the year 269 members of the permanent staff resigned, 185 retired on superannuation, 56 died, and 66 were dismissed or paid off.

Employees to the number of 1,697 were engaged for employment on the permanent staff. Seventy-nine members of the Second Division were promoted to the First Division.

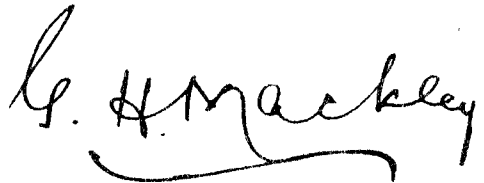
A total of £65,963 was paid under the Workers' Compensation Act during the year to members of the Second Division who suffered injury in the course of their employment.

The undermentioned executive officers commenced their retiring leave or retired from the Service during the year :—

Mr. S. S. Millington, Comptroller of Stores, Wellington.
Mr. J. McNair, District Engineer, Christchurch.
Mr. L. W. Robertson, Locomotive Engineer, Auckland.
Mr. E. S. Brittenden, District Traffic Manager, Christchurch.
Mr. H. C. Couch, District Traffic Manager, Auckland.
Mr. W. Schiarning, District Traffic Manager, Wellington.
Mr. D. St. George, District Traffic Manager, Wanganui.
Mr. W. A. Woodger, District Traffic Manager, Wellington.
Mr. J. A. Lindsay, District Traffic Manager, Invercargill.
Mr. S. C. Doyle, Superintendent, Road Services, Wellington.

It is with regret that I have to record the death of Mr. J. McNair, late District Engineer, Christchurch, within a few months of his retirement.

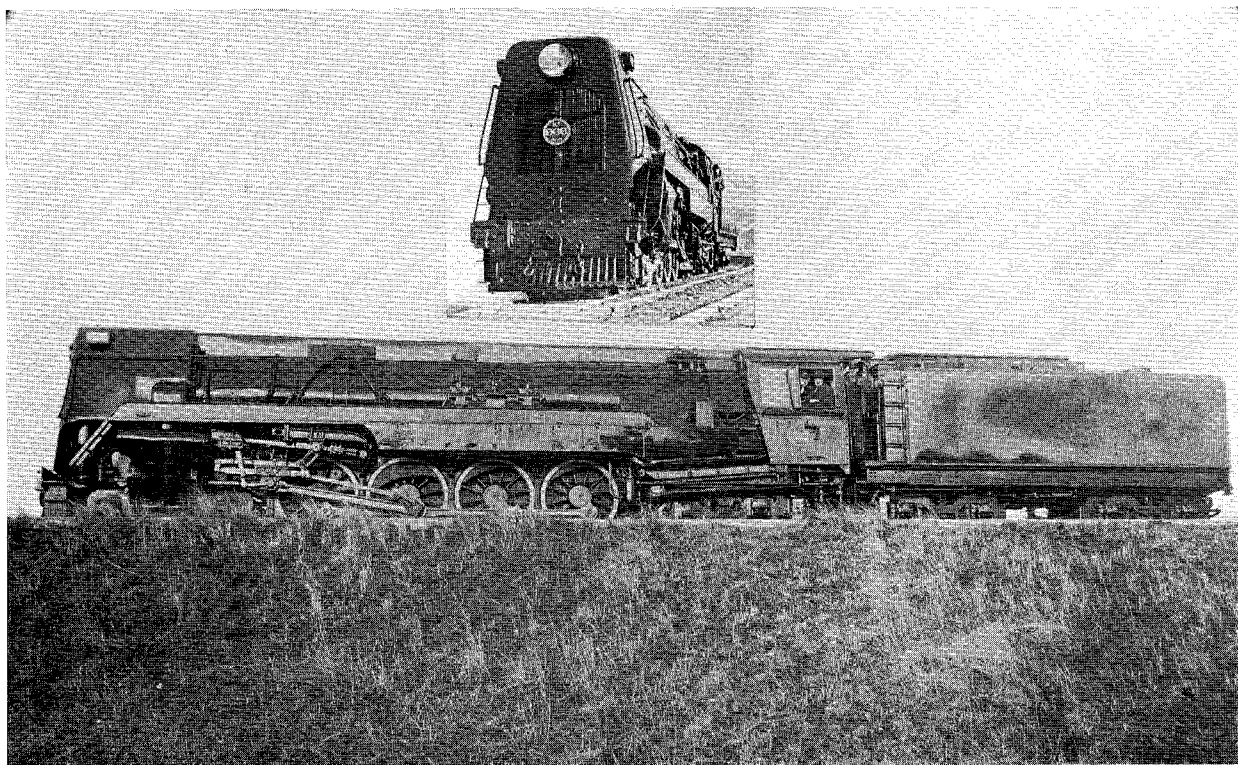
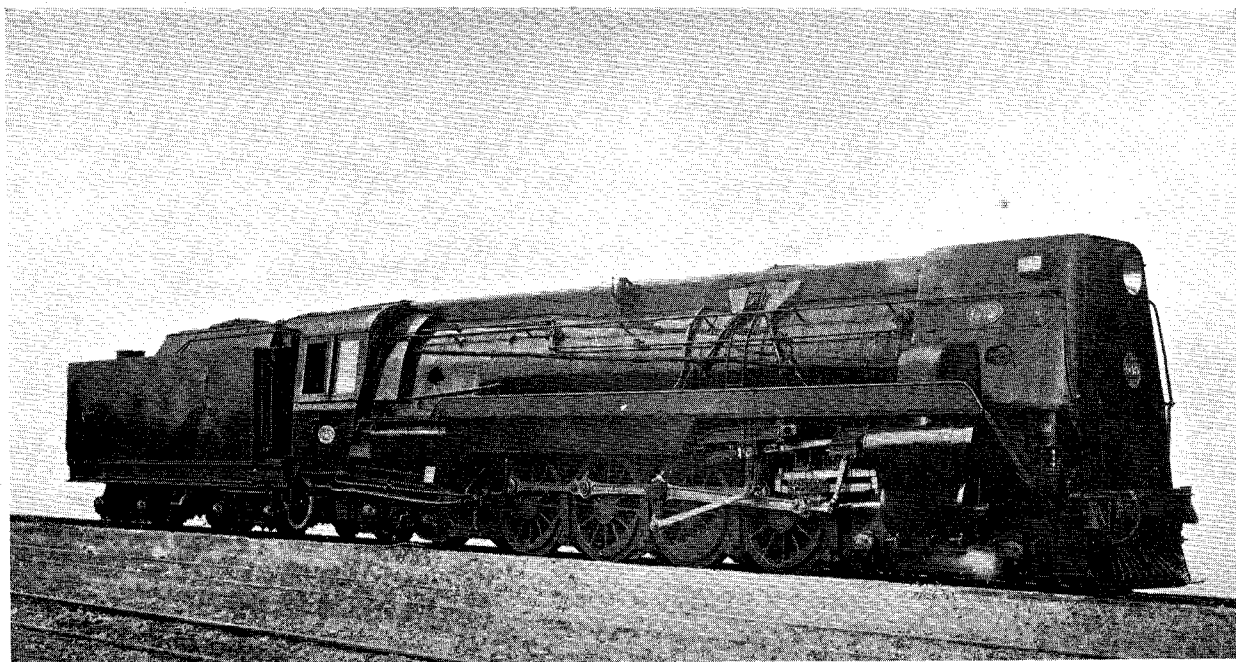
In concluding this review of the year's operations it affords me much pleasure to record my appreciation of the successful efforts of the staff to cope with the demands made upon their services and for their loyal and efficient co-operation. I am also grateful to the travelling public and other clients of the Department for their many expressions of appreciation of the satisfactory service rendered by the staff.

A handwritten signature in dark ink, reading "G. H. Mackley". The signature is fluid and cursive, with a long horizontal flourish extending from the end of the name.

General Manager.

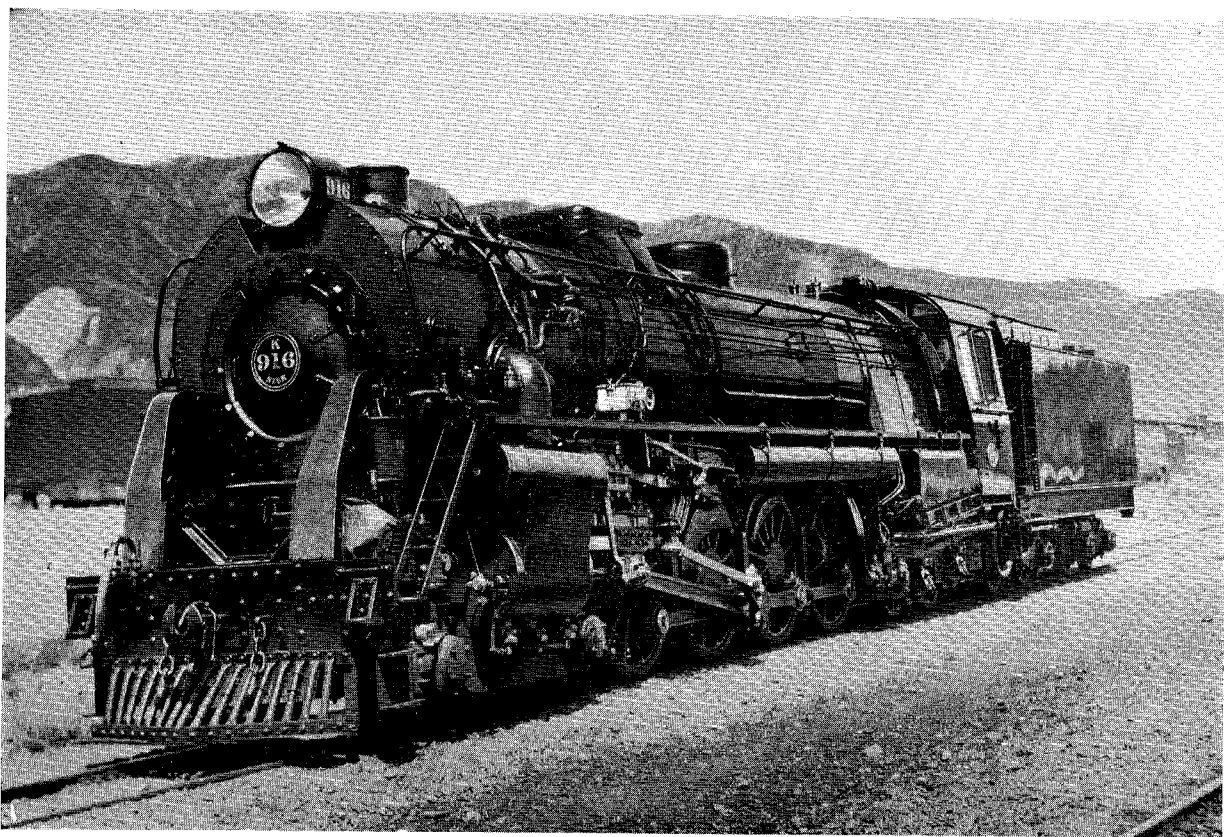
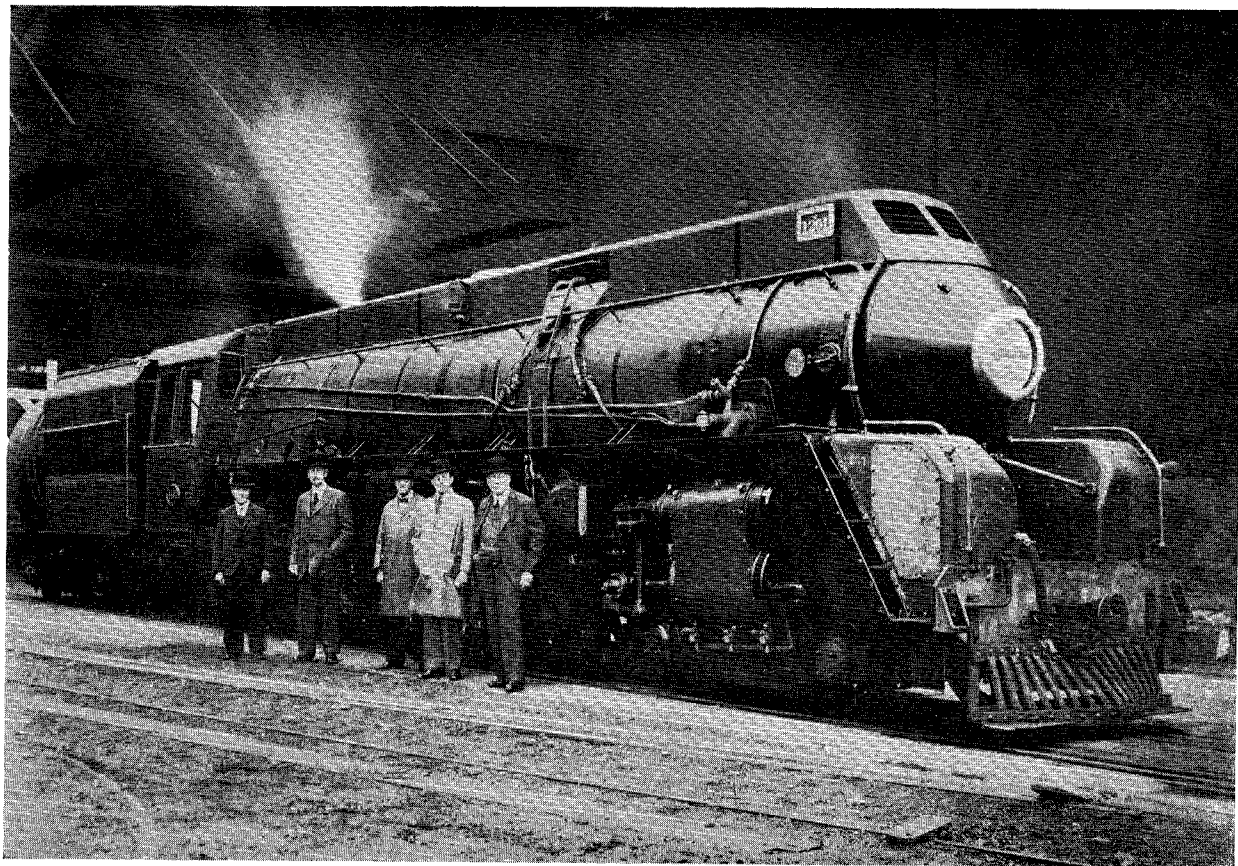
D.—2.

THE LARGEST TYPES OF LOCOMOTIVES NOW BUILT FOR THE
NEW ZEALAND RAILWAYS DEPARTMENT.



Above: KA CLASS LOCOMOTIVE, 4-8-4 TYPE. LENGTH OVERALL, 69 FT. 8 IN.; CYLINDERS, 20 IN. BY 26 IN.; DRIVING-WHEELS, 4 FT. 6 IN. DIAMETER; TRACTIVE FORCE, 30,815 LB.; WEIGHT, 142 TONS.

Below: KB CLASS LOCOMOTIVE, 4-8-4 TYPE EQUIPPED WITH BOOSTER. LENGTH OVERALL, 69 FT. 8 IN.; CYLINDERS, 20 IN. BY 26 IN.; DRIVING-WHEELS, 4 FT. 6 IN. DIAMETER; TRACTIVE FORCE, 37,285 LB.; WEIGHT, 145 TONS.



Above: J CLASS LOCOMOTIVE, 4-8-2 TYPE. LENGTH OVERALL, 66 FT. 9 IN.; CYLINDERS, 18 IN. BY 26 IN.; DRIVING-WHEELS, 4 FT. 6 IN. DIAMETER; TRACTIVE FORCE, 24,960 LB.; WEIGHT, 108 TONS.

Below: K CLASS LOCOMOTIVE, 4-8-4 TYPE. LENGTH OVERALL, 69 FT. 8 IN.; CYLINDERS, 20 IN. BY 26 IN.; DRIVING-WHEELS, 4 FT. 6 IN. DIAMETER; TRACTIVE FORCE, 30,815 LB.; WEIGHT, 136 TONS.

BALANCE-SHEETS,
STATEMENTS OF ACCOUNTS,
AND
STATISTICAL RETURNS,
1939.

INDEX OF STATEMENTS

ACCOMPANYING THE ANNUAL REPORT OF THE GENERAL MANAGER OF THE NEW ZEALAND
GOVERNMENT RAILWAYS, 1938-39.

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2	Whole Undertaking—
	Net Revenue Account.
3	Railway Operation—
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	Abstract B—Maintenance of Signals and Electrical Appliances.
	Abstract C—Maintenance of Rolling-stock.
	Abstract D—Examination, Lubrication, and Lighting of Vehicles.
	Abstract E—Locomotive Transportation.
	Abstract F—Traffic Transportation.
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	Summary of Expenditure Abstracts.
4	Lako Wakatipu Steamers.
5	Refreshment Service.
5A	Bookstall Service.
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7	Departmental Dwellings.
8	Buildings occupied by Refreshment Service, Bookstall Proprietors, &c.
9	Road Services.
10	Railway Employees' Sick Benefit Society—
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11	Losses on Developmental Branch Lines and Isolated Sections.
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	Reconciliation Statement.
13	Renewals, Depreciation, and Equalization Reserve Accounts:—
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	Insurance Reserve Account.
	Workers' Compensation Reserve Account.
	Slips, Floods, and Accidents Equalization Reserve Account.
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	Renewals Reserve Account.
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	Net Revenue, and Rate of Interest earned on Capital expended on Opened Lines.
15	Expenditure out of Working Railways Account (Depreciation Fund) and Public Works Fund.
16	Season Tickets issued.
17	Operating Traffic and Revenue:—
	(1) Operating Traffic.
	(2) Operating Revenue.
18	Traffic and Revenue for each Station.
19	Classification of Goods and Live-stock Traffic and Earnings by Commodities.
20	Mileage, Capital Cost, Traffic, Operating Revenue, and Operating Expenditure.
21	Number of Employees.
22	Accidents.
23	Carriage and Wagon Stock and Tarpaulins.
24	Locomotive Stock.
25	Locomotive-running Costs.

STATEMENT No. I.

CAPITAL ACCOUNT AS AT 31ST MARCH, 1939.

—	Total to 31st March, 1938.			Year ended 31st March, 1939.			Total to 31st March, 1939.			Year ended 31st March, 1939.			Total to 31st March, 1939.		
	£	s.	d.	£	s.	d.	£	s.	d.	£	s.	d.	£	s.	d.
<i>Expenditure.</i>															
Permanent-way—Works, buildings, machinery, plant, and dwellings	51,377,269	14	3	1,090,515	15	5	52,467,785	9	8	2,511,428	19	9	59,838,110	4	8
Rolling-stock, lake steamers, and road motors	12,284,791	15	1	1,492,086	0	3	13,776,877	15	4	..	..	..	9,033,902	6	6
Lines closed for traffic	362,662	9	4	..	..	..	362,662	9	4	2,511,428	19	9	68,872,012	11	2
	64,024,723	18	8	2,582,601	15	8	66,607,325	14	4	..	..	..	10,400,000	0	0
Deduct accrued depreciation on existing assets	8,281,158	18	7	323,041	13	11	8,604,200	12	6						
Add unexpended balances: Depreciation Fund	55,743,565	0	1	2,259,560	1	9	58,003,125	1	10						
	321,622	2	6	351,860	10	9	673,482	13	3	2,511,428	19	9	58,472,012	11	2
	£56,065,187	2	7	£2,611,420	12	6	£58,676,607	15	1	99,991	12	9	204,595	3	11
										£2,611,420	12	6	£58,676,607	15	1

NOTE.—Unopened lines are under the control of the Public Works Department, and all expenditure out of the Public Works Fund in connection therewith is included in the accounts of that Department.

STATEMENT No. 2.
INCOME AND EXPENDITURE OF THE WHOLE UNDERTAKING FOR THE YEAR ENDED 31st MARCH, 1939.

	Statement No.	Year 1938-39.				Year 1937-38.			
		Gross Revenue.	Expenditure.	Net Revenue.		Gross Revenue.	Expenditure.	Net Revenue.	
		£ s. d.	£ s. d.	£ s. d.		£ s. d.	£ s. d.	£ s. d.	
Railway operation ..	3	8,005,039 7 10	7,663,632 4 9	341,427 3 1		7,591,824 10 10	7,291,765 1 7	300,039 9 3	
Lake Wakatipu steamers ..	4	7,167 13 0	11,312 14 5	Dr. 4,145 1 5		7,624 3 9	11,143 13 9	Dr. 3,519 10 0	
Refreshment service ..	5	167,709 16 6	163,188 12 1	4,521 4 5		142,786 2 6	140,936 17 3	1,849 5 3	
Bookstall service ..	5A	92,603 19 3	88,143 12 6	4,460 6 9		76,719 6 10	73,231 18 10	3,487 8 0	
Advertising service ..	6	40,070 13 8	35,134 2 10	4,936 10 10		37,396 14 4	32,626 17 10	4,769 16 6	
Dwellings ..	7	133,945 11 2	187,193 1 1	Dr. 53,247 9 11		130,683 6 7	183,132 8 7	Dr. 52,499 2 0	
Buildings occupied by refreshment services, book-stalls, &c.	8	23,888 18 10	15,644 18 4	8,244 0 6		20,291 10 9	13,928 13 0	6,362 17 9	
Road motor services ..	9	505,611 11 3	480,074 12 2	25,536 19 1		276,526 16 2	254,553 6 8	21,973 9 6	
Miscellaneous revenue ..	..	369,329 16 7	..	369,329 16 7		350,333 3 0	..	350,333 3 0	
		9,345,387 8 1	8,644,323 18 2	..		8,634,185 14 9	8,001,388 17 6	..	
Total net revenue to Net Revenue Account ..	..	..	..	701,063 9 11		..	..	632,796 17 3	

NET REVENUE ACCOUNT.

Dr.	1938-39.		1937-38.		Cr.	1938-39.		1937-38.	
	£ s. d.	£ s. d.	£ s. d.	£ s. d.		£ s. d.	£ s. d.	£ s. d.	£ s. d.
Interest charges ..	2,418,116 9 6	2,335,807 11 1	..	..	Net earnings before charging interest on capital ...	701,063 9 11	632,796 17 3		
					Reduction on account of interest charges, <i>vide</i> section 14, Finance Act, 1930 (No. 2)	1,717,652 19 7	1,703,010 13 10		
	2,418,116 9 6	2,335,807 11 1				2,418,116 9 6	2,335,807 11 1		

STATEMENT No. 3.
INCOME AND EXPENDITURE IN RESPECT OF RAILWAY OPERATION FOR THE YEAR ENDED 31ST MARCH, 1939.

EXPENDITURE.	See Abstract.	1938-39.		1937-38.		Per Cent. of Operating Revenue.		REVENUE.	Statement No.	1938-39.		1937-38.		Per Cent. of Operating Revenue.	
		1938-39.		1937-38.		1938-39.				1937-38.					
		£	s. d.	£	s. d.	£	s. d.			£	s. d.	1938-39.	1937-38.		
Maintenance of way and works ..	A	1,375,829	2 6	1,278,980	8 7	17.19	16.85	Passengers, ordinary ..	17	1,538,881	17 0	1,475,829	4 7	19.22	19.44
Maintenance of signals and electrical appliances ..	B	186,546	6 10	178,891	13 8	2.33	2.36	Passengers, season tickets ..	17	246,764	13 9	222,191	6 8	3.08	2.93
Maintenance of rolling-stock ..	C	1,832,614	13 7	1,792,562	5 3	22.89	23.60	Parcels, luggage, and mails ..	17	334,169	8 8	318,456	14 10	4.17	4.19
Examination, lubrication, and lighting of vehicles ..	D	85,481	12 7	78,726	19 0	1.07	1.04	Goods ..	17	5,694,835	13 9	5,411,296	17 11	71.15	71.28
Locomotive transportation ..	E	1,727,374	16 10	1,624,382	14 7	21.58	21.40	Labour, demurrage, &c. ..	17	190,307	14 8	164,050	6 10	2.38	2.16
Traffic transportation ..	F	2,208,310	7 6	2,090,470	15 4	27.58	27.53								
General Charges ..	G	82,236	1 10	78,787	4 0	1.03	1.04								
Superannuation subsidy ..															
Less amount allocated to subsidiary services, &c. ..															
	..	22,074	2 2												
Total operating expenses ..	..	7,663,632	4 9	7,291,785	1 7	95.73	96.05								
Net operating revenue ..	..	341,427	3 1	300,039	9 3	4.27	3.95								
	..	£8,005,059	7 10	£7,591,824	10 10	100.00	100.00		..	£8,005,059	7 10	£7,591,824	10 10	100.00	100.00

Item.	Kaihu.		Gisborne.		North Island Main Line and Branches.		South Island Main Line and Branches.		Westport.		Nelson.		Picton.		Total.	
	Total.	Per Mile of Rail- way.	Total.	Per Mile of Rail- way.	Total.	Per Mile of Rail- way.	Total.	Per Mile of Rail- way.	Total.	Per Mile of Rail- way.	Total.	Per Mile of Rail- way.	Total.	Per Mile of Rail- way.	Total.	Per Mile of Rail- way.

ABSTRACT A.—MAINTENANCE OF WAY AND WORKS.

General expenses—	£	£	£	£	£	£	£	£	£	£	£	£	£	£	£	£
Branch	7	0.3	40	0.7	6,200	4.2	3,908	2.5	135	3.7	16	0.3	50	0.9	10,356	3.1
District	319	13.3	353	6.3	26,397	17.7	18,271	11.5	373	10.4	247	3.9	490	8.7	46,450	14.0
Road-bed	3,250	135.4	3,122	55.7	115,942	77.9	90,883	57.0	2,194	60.9	3,457	54.0	4,732	84.6	223,580	67.4
Track-renewals ..	1,773	73.9	3,649	65.2	318,711	214.0	266,880	167.4	5,892	163.6	2,223	34.7	3,634	65.0	602,762	181.6
Ballasting	1,271	53.0	340	6.1	43,616	29.3	15,469	9.7	165	4.6	103	1.6	1,484	26.5	62,448	18.8
Slips and floods ..	..	..	1,049	18.7	77,566	52.1	21,337	13.4	1,342	37.3	49	0.8	39	0.7	101,382	30.5
Fences, gates, cattle-stops	27	1.1	895	16.0	14,718	9.9	18,416	11.6	806	22.4	431	6.7	730	13.0	36,023	10.9
Roads, level-crossings, approaches	9	0.4	179	3.2	5,439	3.7	3,375	2.1	71	2.0	61	1.0	105	1.9	9,239	2.8
Bridges, viaducts, culverts, &c.	1,586	66.1	1,280	22.9	66,311	44.5	54,081	33.9	803	22.3	1,924	30.1	848	15.1	126,833	38.2
Water-services, cranes, weighbridges, &c.	10	0.4	125	2.2	14,746	9.9	9,256	5.8	3,674	102.1	43	0.7	176	3.1	28,030	8.4
Wharves	7	0.3	..	..	193	0.1	..	..	430	11.9	..	..	1,350	24.1	1,980	0.6
Cattle-yards, loading-banks, platforms, coal-stages	1	..	186	3.3	13,368	9.0	8,295	5.2	110	3.1	72	1.0	75	1.3	22,107	6.7
Operating buildings ..	118	4.9	924	16.5	60,043	40.3	40,318	25.3	1,235	34.3	481	7.5	1,520	27.1	104,639	31.5
	8,378	349.1	12,142	216.8	763,250	512.6	550,489	345.4	17,230	478.6	9,107	142.3	15,233	272.0	1,375,829	414.5
Per cent. of operating revenue	209.76		39.23		15.59		18.76		18.29		81.73		41.55		17.19	
Per cent. of operating expenditure	65.63		36.17		16.82		18.77		21.75		40.89		34.42		17.95	
Per train-mile (pence)	149.07		48.87		21.91		29.44		59.17		55.73		86.59		25.26	

ABSTRACT B.—MAINTENANCE OF SIGNALS AND ELECTRICAL APPLIANCES.

General expenses ..	£	£	£	£	£	£	£	£	£	£	£	£	£	£	£	£
Signals and interlocking ..	7	0.3	42	0.7	6,491	4.4	4,065	2.6	143	4.0	17	0.3	52	0.9	10,817	3.3
Automatic and power signalling ..	..	..	17	0.3	21,453	14.3	12,920	8.1	191	5.3	25	0.4	12	0.2	34,618	10.4
Level-crossing signals ..	..	..	..	..	25,145	16.8	14,198	8.8	..	..	..	..	..	..	39,343	11.9
Instruments, block-working, tablets, &c.	..	..	..	..	2,190	1.5	1,146	0.7	..	..	..	..	..	..	3,336	1.0
Overhead lines, block-working, tablets, &c.	..	..	33	0.6	14,406	9.7	8,213	5.2	185	5.1	12	0.2	39	0.7	22,888	6.9
Overhead lines, automatic signalling ..	31	1.3	35	0.6	14,232	9.6	11,505	7.2	59	1.6	52	0.8	48	0.9	25,962	7.8
Electric lighting used in operation ..	..	..	..	..	4,353	2.9	3,525	2.2	..	..	..	..	..	..	7,878	2.4
Overhead electrification and bonding ..	..	..	21	0.4	9,332	6.3	6,028	3.8	218	6.1	25	0.4	83	1.5	15,707	4.7
Electric-power appliances ..	..	..	..	..	8,201	5.5	10,339	6.5	..	..	..	..	..	..	18,540	5.6
Buildings .. ..	..	..	..	..	2,513	1.7	1,062	0.7	125	3.5	7	0.1	12	0.2	3,719	1.1
	..	..	..	..	2,661	1.8	1,076	0.7	1	..	..	..	..	..	3,738	1.1
	38	1.6	148	2.6	110,977	74.5	74,077	46.5	922	25.6	138	2.2	246	4.4	186,546	56.2
Per cent. of operating revenue	0.95		0.48		2.27		2.52		0.98		1.24		0.67		2.33	
Per cent. of operating expenditure	0.30		0.44		2.45		2.53		1.16		0.62		0.56		2.43	
Per train-mile (pence)	0.68		0.60		3.19		3.96		3.17		0.84		1.40		3.42	

Item.	Kaihu.		Gisborne.		North Island Main Line and Branches.		South Island Main Line and Branches.		Westport.		Nelson.		Picton.		Total.	
	Total.	Per Train- mile.	Total.	Per Train- mile.	Total.	Per Train- mile.	Total.	Per Train- mile.	Total.	Per Train- mile.	Total.	Per Train- mile.	Total.	Per Train- mile.	Total.	Per Train- mile.

ABSTRACT C.—MAINTENANCE OF ROLLING-STOCK.

	£	d.	£	d.	£	d.	£	d.	£	d.	£	d.	£	d.	£	d.
General expenses—																
Branch ..	15	0·3	79	0·3	12,253	0·4	7,687	0·4	265	0·9	30	0·2	101	0·6	20,430	0·4
District ..	..	..	..	..	3,784	0·1	2,602	0·1	..	..	..	..	..	..	6,386	0·1
Locomotives ..	320	5·6	2,247	9·0	456,668	13·2	296,399	15·9	5,080	17·4	1,503	9·3	3,284	18·6	765,501	14·0
Cars ..	3	0·1	356	1·4	191,102	5·5	108,698	5·8	873	3·0	431	2·6	379	2·2	301,842	5·5
Vans and postal vans	3	0·1	102	0·4	29,470	0·8	19,022	1·0	152	0·5	122	0·7	90	0·5	48,961	0·9
Wagons ..	268	4·7	2,159	8·7	370,205	10·6	244,070	13·1	13,103	45·1	984	6·0	2,129	12·1	632,918	11·6
Service vehicles ..	..	..	28	0·1	8,532	0·2	5,636	0·3	9	..	..	..	609	3·5	14,814	0·3
Tarpaulins, ropes, and nets	Cr. 5	0·1	19	0·1	28,871	0·8	12,467	0·7	254	0·9	89	0·5	68	0·4	41,763	0·8
	604	10·7	4,990	20·1	1,100,885	31·6	696,581	37·3	19,736	67·8	3,159	19·3	6,660	37·9	1,832,615	33·6
Per cent. of operating revenue	15·12		16·12		22·49		23·74		20·94		28·35		18·16		22·89	
Per cent. of operating expenditure	4·73		14·86		24·26		23·75		24·91		14·18		15·05		23·91	
Per mile of railway £	25·17		89·11		739·34		437·00		548·22		49·36		118·93		552·16	

ABSTRACT D.—EXAMINATION, LUBRICATION, AND LIGHTING OF VEHICLES.

	£	d.	£	d.	£	d.	£	d.	£	d.	£	d.	£	d.	£	d.
Examination and lubri- cation of cars, vans, and wagons	35	0·6	108	0·4	24,426	0·7	19,525	1·1	958	3·3	126	0·8	148	0·9	45,326	0·8
Gas lighting of vehicles	3	0·1	56	0·2	10,018	0·3	4,195	0·2	149	0·5	87	0·5	78	0·4	14,586	0·3
Electric lighting of vehicles	..	..	..	..	14,119	0·4	6,079	0·3	..	..	..	..	..	..	20,198	0·4
Depot expenses ..	2	..	13	0·1	3,697	0·1	1,659	0·1	1	..	..	..	..	..	5,372	0·1
	40	0·7	177	0·7	52,260	1·5	31,458	1·7	1,108	3·8	213	1·3	226	1·3	85,482	1·6
Per cent. of operating revenue	1·00		0·57		1·07		1·07		1·18		1·91		0·62		1·07	
Per cent. of operating expenditure	0·31		0·53		1·15		1·07		1·40		0·96		0·51		1·12	
Per mile of railway £	1·67		3·16		35·10		19·74		30·78		3·33		4·04		25·76	

ABSTRACT E.—LOCOMOTIVE TRANSPORTATION.

	£	d.	£	d.	£	d.	£	d.	£	d.	£	d.	£	d.	£	d.
General expenses—																
Branch ..	7	0·1	37	0·1	5,844	0·2	3,676	0·2	127	0·4	15	0·1	48	0·3	9,754	0·2
District ..	..	..	..	..	5,879	0·2	4,249	0·2	..	..	..	..	..	..	10,128	0·2
Depot supervision ..	..	..	8	..	28,561	0·8	18,890	1·0	248	0·9	2	..	52	0·3	47,761	0·9
Wages, allowances, and expenses	712	12·7	2,973	12·0	422,909	12·1	250,426	13·3	5,872	20·2	1,948	11·9	3,462	19·7	688,302	12·6
Fuel ..	763	13·6	5,930	23·9	556,024	15·9	219,854	11·8	3,516	12·1	2,180	13·4	3,496	19·8	791,763	14·5
Water ..	61	1·1	142	0·6	17,700	0·5	6,743	0·4	101	0·3	50	0·3	70	0·4	24,867	0·5
Stores ..	14	0·2	127	0·5	17,850	0·5	9,290	0·5	170	0·6	66	0·4	126	0·7	27,643	0·5
Shed expenses ..	300	5·3	445	1·8	79,068	2·3	44,931	2·4	1,601	5·5	212	1·3	600	3·4	127,157	2·3
	1,857	33·0	9,662	38·9	1,133,835	32·5	558,059	29·8	11,635	40·0	4,473	27·4	7,854	44·6	1,727,375	31·7
Per cent. of operating revenue	46·49		31·22		23·17		19·02		12·35		40·14		21·42		21·58	
Per cent. of operating expenditure	14·55		28·78		24·98		19·03		14·69		20·08		17·75		22·54	
Per mile of railway £	77·37		172·54		761·47		350·10		323·19		69·89		140·25		520·45	

Item.	Kaihu.		Gisborne.		North Island Main Line and Branches.		South Island Main Line and Branches.		Westport.		Nelson.		Picton.		Total.	
	Total.	Per Train- mile.	Total.	Per Train- mile.	Total.	Per Train- mile.	Total.	Per Train- mile.	Total.	Per Train- mile.	Total.	Per Train- mile.	Total.	Per Train- mile.	Total.	Per Train- mile.

ABSTRACT F.—TRAFFIC TRANSPORTATION.

General expenses—	£	d.	£	d.	£	d.	£	d.	£	d.	£	d.	£	d.	£	d.
Branch ..	32	0·6	187	0·8	28,465	0·8	17,717	0·9	630	2·2	71	0·4	221	1·3	47,323	0·9
District ..	21	0·4	1,250	5·0	78,854	2·3	55,117	2·9	1,136	3·9	1,025	6·3	1,457	8·3	138,860	2·5
Station expenses—																
Supervision and office	907	16·1	1,579	6·3	293,892	8·5	236,355	12·7	3,669	12·6	1,919	11·6	3,440	19·6	541,761	9·9
Platform ..	52	0·9	86	0·3	119,305	3·4	50,861	2·7	562	1·9	25	0·2	290	1·6	171,181	3·1
Signalling ..	..	..	253	1·0	132,560	3·8	67,005	3·6	1,226	4·2	1	..	29	0·2	201,074	3·7
Shunting and mar- shalling yards	52	0·9	330	1·3	161,210	4·6	115,853	6·2	3,945	13·5	304	1·9	760	4·3	282,454	5·2
Goods-sheds and goods-yards	51	0·9	93	0·4	129,516	3·7	138,405	7·4	1,112	3·8	310	1·9	1,456	8·3	270,943	5·0
Wharves ..	26	0·5	..	..	32,109	0·9	111,371	6·0	10,639	36·6	..	..	3,782	21·4	157,927	2·9
Fuel, water, sta- tionery, and other station expenses	68	1·2	262	1·1	21,036	0·6	13,348	0·7	240	0·8	233	1·4	199	1·1	35,386	0·6
Train expenses—																
Running ..	439	7·8	1,282	5·2	153,645	4·4	89,670	4·8	1,857	6·4	663	4·1	929	5·3	248,485	4·6
Cleaning and heating vehicles	26	0·5	81	0·3	54,423	1·6	27,558	1·5	243	0·8	241	1·5	310	1·8	82,882	1·5
Sleeping-cars ..	..	..	..	..	13,825	0·4	707	..	..	..	..	..	..	..	14,532	0·3
Miscellaneous ..	4	0·1	74	0·3	9,607	0·3	5,737	0·3	44	0·2	19	0·1	17	0·1	15,502	0·3
	1,678	29·9	5,477	22·0	1,228,447	35·3	929,704	49·7	25,303	86·9	4,811	29·4	12,890	73·3	2,208,310	40·5
Per cent. of operating revenue	42·01		17·70		25·10		31·69		26·85		43·18		35·16		27·59	
Per cent. of operating expenditure	13·14		16·31		27·07		31·70		31·94		21·60		29·13		28·81	
Per mile of railway £	69·92		97·80		825·01		583·25		702·86		75·17		230·18		665·35	

ABSTRACT G.—GENERAL EXPENSES.

Head Office ..	£	d.	£	d.	£	d.	£	d.	£	d.	£	d.	£	d.	£	d.
Appeal Board ..	34	0·6	192	0·8	29,190	0·8	18,141	0·9	646	2·3	73	0·4	224	1·3	48,500	0·9
Chief Accountant ..	..	..	4	..	650	..	404	..	14	..	2	..	5	..	1,080	..
Training School ..	21	0·4	118	0·5	17,963	0·5	11,163	0·6	397	1·4	45	0·3	138	0·8	29,845	0·5
	2	0·0	11	..	1,692	0·1	1,052	0·1	38	0·1	4	0·1	13	0·1	2,811	0·1
	57	1·0	325	1·3	49,495	1·4	30,760	1·6	1,095	3·8	124	0·8	380	2·2	82,236	1·5
Per cent. of operating revenue	1·43		1·05		1·01		1·05		1·16		1·11		1·04		1·03	
Per cent. of operating expenditure	0·45		0·97		1·09		1·05		1·38		0·56		0·86		1·07	
Per mile of railway £	2·37		5·80		33·24		19·30		30·42		1·94		6·79		24·78	
Superannuation subsidy	£	d.	£	d.	£	d.	£	d.	£	d.	£	d.	£	d.	£	d.
	114	2·0	652	2·6	99,455	2·9	61,806	3·3	2,200	7·6	248	1·5	764	4·3	165,239	3·0

SUMMARY OF EXPENDITURE ABSTRACTS.

Abstract and Item.	Kaihu.	Gisborne.	North Island Main Line and Branches.	South Island Main Line and Branches.	Westport.	Nelson.	Picton.	Total.
	£	£	£	£	£	£	£	£
A.—Maintenance of Way and Works ..	8,378	12,142	763,250	550,489	17,230	9,107	15,233	1,375,829
B.—Maintenance of Signals and Electrical Appliances	38	148	110,977	74,077	922	138	246	186,546
C.—Maintenance of Rolling-stock ..	604	4,990	1,100,885	696,581	19,736	3,159	6,660	1,832,615
D.—Examination, Lubrication, and Light- ing of Vehicles	40	177	52,260	31,458	1,108	213	226	85,482
E.—Locomotive Transportation ..	1,857	9,662	1,133,835	558,059	11,635	4,473	7,854	1,727,375
F.—Traffic Transportation ..	1,678	5,477	1,228,447	929,704	25,303	4,811	12,890	2,208,310
G.—General Expenses ..	57	325	49,495	30,760	1,095	124	380	82,236
Superannuation Subsidy ..	114	652	99,455	61,806	2,200	248	764	165,239
Total ..	12,766	33,573	4,538,604	2,932,934	79,229	22,273	44,253	7,663,632
Per cent. of operating revenue ..	319·63	108·47	92·74	99·96	84·08	199·88	120·69	95·73
Per mile of railway ..	£	£	£	£	£	£	£	£
	531·92	599·52	3,048·09	1,839·98	2,200·81	348·02	790·23	2,309·02
Per train-mile ..	pence	pence	pence	pence	pence	pence	pence	pence
	227·15	135·14	130·28	156·88	272·10	136·30	251·56	140·68

STATEMENT No. 4.

INCOME AND EXPENDITURE IN RESPECT OF LAKE WAKATIPU STEAMERS.

EXPENDITURE.	1938-39.	1937-38.	Per Cent. of Revenue.		REVENUE.	1938-39.	1937-38.	Per Cent. of Revenue.	
			1938-39.	1937-38.				1938-39.	1937-38.
	£	£				£	£		
Salaries and wages, shore staff ..	1,528	1,252	21·32	16·42	Ordinary passengers ..	2,621	2,648	36·58	34·73
Salaries and wages, steamer staff	4,351	4,183	60·70	54·86	Season tickets ..	34	38	0·47	0·50
Coal and stores ..	1,695	1,559	23·65	20·44	Parcels, luggage, and mails ..	493	521	6·87	6·83
Repairs, steamers ..	1,068	1,090	14·90	14·30	Goods ..	3,990	4,387	55·66	57·55
Repairs, wharves, &c. ..	197	920	2·75	12·07	Miscellaneous ..	30	30	0·42	0·39
Insurance, depreciation, &c. ..	932	846	13·00	11·10					
Motor-lorry expenses ..	712	634	9·93	8·32					
	10,483	10,484	146·25	137·51		7,168	7,624	100·00	100·00
	10,483	10,484	146·25	137·51	Operating loss	3,315	2,860	46·25	37·51
Operating loss	3,315	2,860	46·25	37·51		10,483	10,484	146·25	137·51
Payments to railway revenue—									
Interest on capital ..	830	660	11·58	8·66	Net loss	4,145	3,520	57·83	46·17
	4,145	3,520	57·83	46·17		4,145	3,520	57·83	46·17

STATEMENT No. 5.

INCOME AND EXPENDITURE IN RESPECT OF REFRESHMENT SERVICE.

EXPENDITURE.	1938-39.	1937-38.	Per Cent. of Revenue.		REVENUE.	1938-39.	1937-38
			1938-39.	1937-38.			
	£	£				£	£
Salaries and wages ..	55,012	49,074	32·80	34·37	Receipts from Refreshment-rooms ..	167,710	142,786
Provisions used ..	76,770	66,285	45·77	46·42			
Light, fuel, and water ..	3,393	2,653	2·02	1·86			
Renewals and depreciation ..	4,908	4,109	2·93	2·87			
Insurance and miscellaneous ..	7,841	4,260	4·68	2·99			
	147,924	126,381	88·20	88·51			
Operating profit	19,786	16,405	11·80	11·49		167,710	142,786
	167,710	142,786	100·00	100·00			
Payments to railway revenue—							
Interest on capital ..	1,465	1,230	0·87	0·86	Operating profit	19,786	16,405
Rent ..	10,309	9,817	6·14	6·87			
Freights and fares ..	3,491	3,509	2·09	2·46			
Net profit	4,521	1,849	2·70	1·30			
	19,786	16,405	11·80	11·49		19,786	16,405

STATEMENT No. 5A.

INCOME AND EXPENDITURE IN RESPECT OF BOOK-STALL SERVICE.

EXPENDITURE.	1938-39.	1937-38	Per Cent. of Revenue.		REVENUE.	1938-39.	1937-38
			1938-39.	1937-38.			
	£	£				£	£
Salaries and wages ..	9,543	8,639	10·30	11·26	Receipts	92,604	76,719
Stores ..	68,675	56,489	74·16	73·64			
Miscellaneous ..	1,240	1,010	1·34	1·31			
	79,458	66,138	85·80	86·21			
Operating profit	13,146	10,581	14·20	13·79		92,604	76,719
	92,604	76,719	100·00	100·00			
Payments to railway revenue—							
Rents ..	8,490	6,905	9·17	9·00	Operating profit	13,146	10,581
Rail freights ..	196	189	0·21	0·25			
Net profit	4,460	3,487	4·82	4·54			
	13,146	10,581	14·20	13·79		13,146	10,581

STATEMENT No. 6.
INCOME AND EXPENDITURE IN RESPECT OF ADVERTISING SERVICE.

EXPENDITURE.	1938-39.	1937-38.	Per Cent. of Revenue.		REVENUE.	1938-39.	1937-38.
			1938-39.	1937-38.			
	£	£				£	£
Salaries, wages, and allowances	8,243	8,396	20·57	22·45	Advertising-signs, publications, &c. ..	40,071	37,397
Stores and materials ..	2,293	1,483	5·72	3·96			
Insurance and depreciation ..	3,153	7,067	7·87	18·89			
Office and general expenses ..	7,966	2,935	19·88	7·86			
	21,655	19,881	54·04	53·16	Operating profit	40,071	37,397
Operating profit	18,416	17,516	45·96	46·84			
	40,071	37,397	100·00	100·00			
Payments to railway revenue—					Operating profit	18,416	17,516
Interest on capital ..	697	761	1·74	2·03			
Rent of premises and sites ..	11,500	10,866	28·70	29·07			
Commission	1,051	902	2·62	2·41			
Freights	231	217	0·58	0·58	Net profit	18,416	17,516
Net profit	4,937	4,770	12·32	12·75			
	18,416	17,516	45·96	46·84			

STATEMENT No. 7.
INCOME AND EXPENDITURE IN RESPECT OF DEPARTMENTAL DWELLINGS.

EXPENDITURE.	1938-39.	1937-38.	Per Cent. of Revenue.		REVENUE.	1938-39.	1937-38.
			1938-39.	1937-38.			
	£	£				£	£
Wages and charges	58,668	62,126	43·81	47·54	Rentals	133,946	130,683
Materials	26,272	21,694	19·61	16·60			
Insurance	324	668	0·24	0·51			
Depreciation	37,504	35,033	28·00	26·81			
	122,768	119,521	91·66	91·46	Operating profit	133,946	130,683
Operating profit	11,178	11,162	8·34	8·54			
	133,946	130,683	100·00	100·00			
Payments to railway revenue—					Operating profit	11,178	11,162
Interest	64,425	63,661	48·10	48·71			
	64,425	63,661	48·10	48·71	Net loss	53,247	52,499

STATEMENT No. 8.

INCOME AND EXPENDITURE IN RESPECT OF BUILDINGS OCCUPIED BY REFRESHMENT SERVICE, BOOK-STALL PROPRIETORS, ETC.

EXPENDITURE.	1938-39.	1937-38.	Per Cent. of Revenue.		REVENUE.	1938-39.	1937-38.
			1938-39.	1937-38.			
	£	£				£	£
Wages and charges	4,022	2,682	16·84	13·22	Rentals	23,889	20,292
Materials	1,083	877	4·53	4·32			
Insurance and depreciation ..	3,674	3,678	15·38	18·12			
	8,779	7,237	36·75	35·66			
Operating profit	15,110	13,055	63·25	64·34	Operating profit	15,110	13,055
	23,889	20,292	100·00	100·00			
Payments to railway revenue—					Operating profit	15,110	13,055
Interest	6,866	6,692	28·74	32·98			
Net profit	8,244	6,363	34·51	31·36			
	15,110	13,055	63·25	64·34			

STATEMENT No. 9.

INCOME AND EXPENDITURE IN RESPECT OF ROAD SERVICES.

EXPENDITURE.	1938-39.	1937-38.	Per Cent. of Revenue.		REVENUE.	1938-39.	1937-38.	Per Cent. of Revenue.	
			1938-39.	1937-38.				1938-39.	1937-38.
	£	£				£	£		
Superintendence — Salaries and office expenses	60,852	26,509	12·04	9·59	Passengers	283,546	234,697	56·09	84·87
Maintenance charges	78,918	39,100	15·61	14·14	Goods, parcels, mails, &c. ..	220,295	40,144	43·56	14·52
Running-expenses	248,601	127,875	49·16	46·24	Miscellaneous	1,771	1,686	0·35	0·61
License fees	15,301	8,431	3·03	3·05					
Insurance and depreciation ..	64,126	45,392	12·68	16·42					
	467,798	247,307	92·52	89·44					
Operating profit	37,814	29,220	7·48	10·56					
	505,612	276,527	100·00	100·00		505,612	276,527	100·00	100·00
Payment to railway revenue—									
Interest on capital	12,277	7,246	2·43	2·62	Operating profit	37,814	29,220	7·48	10·56
Net profit	25,537	21,974	5·05	7·94					
	37,814	29,220	7·48	10·56		37,814	29,220	7·48	10·56

STATEMENT No. 10.

RAILWAY EMPLOYEES' SICK BENEFIT SOCIETY.
Income and Expenditure.

EXPENDITURE.	1938-39.	1937-38.	INCOME.	1938-39.	1937-38.
	£	£		£	£
Sick benefits paid to members	38,390	27,090	Contributions	26,671	23,715
Balance carried down, being excess of income over expenditure	..	6,433	Entrance fees	360	337
			Interest on Investments	1,663	1,471
			Subsidy as per section 5, subsection (1), of Government Railways Amendment Act, 1928, charged to Working Railways Account	8,000	8,000
			Balance being excess of expenditure over income for the year	1,696	..
	38,390	33,523		38,390	33,523
Excess of expenditure over income	1,696	..	Accumulated funds brought forward on 1st April	47,392	40,959
Balance accumulated funds as at 31st March ..	45,696	47,392	Balance .. ..	..	6,433
	47,392	47,392		47,392	47,392

Balance-sheet.

Liabilities.	£	£	Assets.	£	£
Accumulated funds	45,696	47,392	Investments	49,379	46,916
Sick pay due not paid	41	74	Cash in Working Railways Account .. ..	..	492
Working Railways Account	3,695	..	Contributions outstanding at 31st March ..	53	58
	49,432	47,466		49,432	47,466

STATEMENT No. 11.

STATEMENT OF LOSSES ON DEVELOPMENTAL BRANCH LINES FROM 6TH MARCH, 1938, TO 4TH MARCH, 1939, AND ISOLATED SECTIONS FROM 1ST APRIL, 1938, TO 31ST MARCH, 1939.

Branch.	Mileage operated.	Loss on Working.	Feeder Value.	Total Net Loss.	Loss, including Interest.	Average per Mile of Line operated.					
						Branch Revenue.	Feeder Value.	Total Revenue.	Working-expenses.	Interest.	Total Loss.
		£	£	£	£	£	£	£	£	£	£
Kaikohe	25	7,697	2,189	5,508	19,913	282	88	370	590	576	797
Kirikopuni	14	5,351	1,065	4,286	48,613	305	76	381	687	3,166	3,472
Waiuku	13	6,026	1,095	4,931	13,329	528	84	612	992	646	1,025
Taneatua	111	32,862	8,402	24,460	137,371	843	76	919	1,139	1,017	1,238
Opunake	23	4,318	1,503	2,815	20,745	297	65	362	485	780	902
Greytown	3	2,849	361	2,488	2,925	122	120	242	1,071	146	975
North Island totals	189	59,103	14,615	44,488	242,896	629	77	706	942	1,050	1,285
Eyretown-Oxford	43	5,673	159	5,514	9,444	100	4	104	232	91	220
Cheviot	44	5,090	682	4,408	19,148	473	16	489	584	335	435
Little River	23	6,285	112	6,173	10,785	376	5	381	649	201	469
Southbridge	26	801	340	461	4,156	666	13	679	697	142	160
Whitecliffs	12	4,047	231	3,816	4,471	199	19	218	536	55	373
Methven	23	4,293	549	3,744	7,099	349	24	373	535	146	309
Springburn	28	1,715	225	1,490	3,856	144	8	152	206	84	138
Fairlie	36	1,554	488	1,066	6,859	404	14	418	447	161	191
Waimate	13	5,976	482	5,494	7,450	191	37	228	651	150	573
Kurow	37	7,196	288	6,908	10,762	215	8	223	409	104	291
Ngapara	15	2,757	245	2,512	5,996	347	16	363	531	232	400
Waihemo	9	867	319	548	1,847	277	35	312	374	144	205
Otago Central	147	31,130	850	30,280	92,584	742	6	748	954	424	630
Outram	9	1,941	78	1,863	3,394	138	9	147	353	170	377
Roxburgh	61	15,131	400	14,731	44,636	225	7	232	473	490	732
Catlins River	43	3,859	765	3,094	22,514	338	18	356	428	452	524
Tapanui	27	5,816	529	5,287	10,264	239	20	259	454	184	380
Waikaka	13	1,977	193	1,784	4,580	145	15	160	297	215	352
Switzers	14	2,363	158	2,205	5,251	88	11	99	257	218	375
Wyndham	4	1,013	247	766	1,385	240	62	302	493	155	346
Seaward Bush	34	6,036	261	5,775	12,997	279	8	287	456	212	382
Orawia	9	791	149	642	5,056	113	17	130	201	490	562
Forest Hill	13	1,340	256	1,084	1,985	160	20	180	263	69	153
Mararoa	12	1,149	153	996	1,990	89	13	102	185	83	166
South Island totals	695	118,800	8,159	110,641	298,509	376	12	388	546	270	430
Totals, both Islands	884	177,903	22,774	155,129	541,405	430	26	456	631	437	612
<i>Isolated Sections.</i>											
Kaihu	24	8,580	..	8,580	15,460	..	..	182	540	287	644
Gisborne	56	1,898	..	2,028	35,025	..	..	587	621	592	625
Nelson	64	11,050	..	11,050	32,839	..	..	193	366	340	513
Pictou	56	7,135	..	7,135	31,917	..	..	710	837	443	570
Totals	200	28,663	..	28,793	115,241	..	..	447	590	433	576
Grand totals	1,084	206,566	22,774	183,922	656,646	..	..	..	..	..	..

STATEMENT No. 12.

STATEMENT OF CASH RECEIPTS AND PAYMENTS.—WORKING RAILWAYS ACCOUNT.

<i>Receipts.</i>				<i>Payments.</i>			
	£	s.	d.		£	s.	d.
Balance brought forward	760,851	19	1	Investments, Sick Benefit Fund	800	0	0
Revenue receipts	9,430,704	17	6	Wages and vouchers	11,747,690	1	4
"Credits-in-aid" (Working Railways expenditure)	2,755,912	1	1	Refunds to Harbour Boards, shipping companies, and other carriers	535,294	13	8
Contributions to Sick Benefit Fund	35,115	1	3	Interest on capital	701,063	9	11
Interest on investments	8,681	10	1	Payments from Sick Benefit Fund	34,217	9	7
Investments realized	100,000	0	0	Balance as per general balance-sheet	72,199	14	6
	£13,091,265	9	0		£13,091,265	9	0

Reconciliation Statement.

	£	s.	d.
Credit balance in Working Railways Account as per Treasury figures	33,718	2	6
Add—			
Imprests outstanding	36,999	10	7
Cash in transit	1,482	1	5
Balance as per above statement	£72,199	14	6

STATEMENT No. 13.

RENEWALS, DEPRECIATION, AND EQUALIZATION RESERVE ACCOUNTS.

GENERAL RESERVE ACCOUNT.

	£	s.	d.
Balance	£1,144,552	17	8

INSURANCE RESERVE ACCOUNT.

<i>Expenditure.</i>				<i>Income.</i>			
	£	s.	d.		£	s.	d.
Losses	1,682	17	0	Balance from previous year	106,169	3	2
Upkeep railway fire brigades and fire appliances ..	2,909	5	8	Premiums debited to working-expenses ..	2,671	1	1
Balance	104,248	1	7				
	£108,840	4	3		£108,840	4	3
				Balance	£104,248	1	7

WORKERS' COMPENSATION RESERVE ACCOUNT.

<i>Expenditure.</i>				<i>Income.</i>			
	£	s.	d.		£	s.	d.
Accident payments	65,962	13	2	Balance from previous year	44,558	3	6
Balance	39,863	10	9	Premiums debited to working-expenses ..	61,268	0	5
	£105,826	3	11		£105,826	3	11
				Balance	£39,863	10	9

SLIPS, FLOODS, AND ACCIDENTS EQUALIZATION RESERVE ACCOUNT.

<i>Expenditure.</i>				<i>Income.</i>			
	£	s.	d.		£	s.	d.
Repairs to bridges, track, &c.	38,973	3	4	Balance from previous year	20,385	3	6
Balance	668	0	2	Contributions debited to working-expenses ..	19,256	0	0
	£39,641	3	6		£39,641	3	6
				Balance	£668	0	2

BETTERMENTS RESERVE ACCOUNT.

<i>Expenditure.</i>				<i>Income.</i>			
	£	s.	d.		£	s.	d.
Balance	3,248	2	0	Balance from previous year	1,794	4	6
				Contributions debited to working-expenses, Refreshment Branch	1,453	17	6
	£3,248	2	0		£3,248	2	0

RENEWALS RESERVE ACCOUNT.

<i>Expenditure.</i>				<i>Income.</i>			
	£	s.	d.		£	s.	d.
Relaying of track	296,865	15	5	Balance from previous year	790,489	16	11
Refreshment Branch	458	14	9	Contributions debited to working-expenses ..	207,168	0	0
Balance	700,333	6	9				
	£997,657	16	11		£997,657	16	11
				Balance	£700,333	6	9

DEPRECIATION RESERVE ACCOUNT.

<i>Expenditure.</i>				<i>Income.</i>			
	£	s.	d.		£	s.	d.
Way and works, bridges, and portable plant ..	136,525	19	4	Balance from previous year	321,622	2	6
Operating buildings	2,488	2	0	Contributions—			
Signalling and interlocking	30,694	8	0	Way and works, bridges, wharves and plant ..	83,297	9	1
Rolling-stock	158,090	14	1	Operating buildings	41,973	0	0
Locomotive running and car and wagon depot plant	19	10	9	Signals, interlocking, and electric traction ..	59,199	2	6
Dwellings	16,846	15	0	Rolling-stock	357,702	14	1
Refreshment, advertising, road service and stores buildings	0	9	9	Locomotive running and car and wagon depot plant	3,313	0	0
Workshops buildings and plant	2,151	11	8	Dwellings	36,839	0	0
Balance	673,482	13	3	Head Office buildings and plant	3,916	0	0
	£1,020,300	3	10	Refreshment, advertising, road service, and stores buildings	6,640	0	0
				Workshops buildings and plant	41,983	0	0
				Lake Wakatipu steamer service	637	0	0
				Road services	63,177	15	8
					£1,020,300	3	10
				Balance	£673,482	13	3

STATEMENT No. 14.

EXPENDITURE ON CONSTRUCTION OF RAILWAYS, ROLLING-STOCK, ETC., TO 31ST MARCH, 1939 ; NET REVENUE AND RATE OF INTEREST EARNED ON CAPITAL EXPENDED ON OPENED LINES FOR YEAR ENDED SAME DATE.

Section of Railway.	Opened Lines.			Unopened Lines.	Net Revenue.	Rate of Interest earned.
	Lines and Works.	Rolling-stock.	Total.			
	£	£	£	£	£	£ s. d.
Kaihu	159,654	586	160,240	..	—8,772	..
"
Gisborne	746,610	20,840	767,450	..	—2,623	..
" .. .. .	..	..	..	2,480,101	..	..
North Island Main Line and Branches ..	29,668,923	5,418,560	35,087,483	..	355,468	1 0 9
" .. .. .	..	..	..	2,915,358	..	..
South Island Main Line and Branches ..	16,169,686	2,774,359	18,944,045	..	1,072	0 0 1
" .. .. .	..	..	..	938,409	..	..
Westport	312,935	45,054	357,989	..	14,999	4 3 10
" .. .. .	..	..	..	934,272	..	..
Nelson	497,242	9,898	507,140	..	—11,130	..
" .. .. .	..	..	..	256,657	..	..
Picton	575,547	13,410	588,957	..	—7,587	..
" .. .. .	..	..	..	790,080	..	..
	48,130,597	8,282,707	56,413,304	..	341,427	0 13 7
	..	..	..	8,314,877	..	..
Lake Wakatipu steamer service	19,466	..	19,466	..	—4,145	..
Subsidiary services, &c.	2,233,942	..	2,233,942	..	363,781	..
<i>In suspense—</i>						
Surveys, North Island .. ..	..	..	..	31,235	..	..
Surveys, South Island .. ..	..	..	..	5,880	..	..
General	9,896	..	9,896	10,337	..	..
P.W.D. stock of permanent-way ..	..	..	..	36,971	..	..
	50,393,901	8,282,707	58,676,608	8,399,300	701,063	1 4 7

Total cost of opened and unopened lines at 31st March, 1939	..	..	67,075,908	..	..	..

NOTE.—The amount stated in this return as the cost of construction of opened lines includes the Provincial and General Government expenditure on railways. It also includes the Midland Railway and expenditure by the Greymouth and Westport Harbour Boards on railways and wharves under the provisions of section 7 of the Railways Authorization Act, 1885, the information regarding the last-mentioned being furnished by the respective Boards. The rate of interest earned has been computed on the average capital.

STATEMENT No. 15.

EXPENDITURE OUT OF WORKING RAILWAYS ACCOUNT (DEPRECIATION FUND) AND PUBLIC WORKS
FUND FOR THE YEAR ENDED 31ST MARCH, 1939.

Way and Works Branch: Particulars of Works.	Working Railways Depreciation Fund.	Public Works Fund.	Total.
	£	£	£
Land	<i>Cr.</i> 23	10,000	9,977
Grading and formation	10,927	148,525	159,452
Tunnels .. .. .	..	680	680
Bridges (structures only)	124,659	5,472	130,131
Overbridges .. .. .	..	10,001	10,001
Culverts .. .. .	..	11,922	11,922
Subways .. .. .	..	12,296	12,296
Fences, gates, and cattlestops	2	3,062	3,064
Permanent-way	769	89,861	90,630
Station buildings and platforms	1,944	48,336	50,280
Cattleyards, loading-banks	44	5,444	5,488
Engine-sheds, car and wagon depots, and other operating buildings	544	40,307	40,851
Dwellings	16,847	141,796	158,643
Land for dwellings .. .. .	..	2,281	2,281
Huts .. .. .	..	<i>Cr.</i> 72	<i>Cr.</i> 72
Lake Wakatipu wharves .. .. .	..	1,821	1,821
Water services	100	2,058	2,158
Stores buildings .. .. .	..	7,504	7,504
Locomotive workshops buildings	2,151	113,033	115,184
Locomotive workshops plant .. .. .	..	332	332
Locomotive depot plant	20	137	157
Refreshment, advertising, and bookstall buildings .. .. .	..	2,846	2,846
Road service buildings	1	57,663	57,664
Cranes, weighbridges, capstans, and turntables	47	14,607	14,654
Movable plant for Maintenance Branch .. .. .	..	7,253	7,253
Miscellaneous (roads, sewerage, drainage, fire-fighting appliances) .. .. .	..	8,525	8,525
Signalling and interlocking	9,052	6,754	15,806
Tablet installations	7,273	5,261	12,534
Automatic and power signalling	859	69,889	70,748
Electric lighting	1,696	9,576	11,272
Communication lines and apparatus	9,312	18,812	28,124
Level-crossing warning-signals	2,505	205	2,710
Electric-power appliances .. .. .	..	489	489
Overhead electrification	<i>Cr.</i> 2	<i>Cr.</i> 2,108	<i>Cr.</i> 2,110
Overhead wires for automatic and power signalling .. .. .	..	31,424	31,424
Signal-cabins .. .. .	..	163	163
	188,727	886,155	1,074,882
Expenditure by Public Works Department—			
Turakina-Okoia grade easement .. .. .	..	124,717	124,717
Tawa Flat deviation .. .. .	..	79	79
Plimmerton-Paekakariki duplication .. .. .	..	26,722	26,722
Palmerston North deviation .. .. .	..	20,316	20,316
Rimutaka deviation and tunnel .. .. .	..	599	599
	188,727	1,058,588	1,247,315

STATEMENT No. 15—continued.

EXPENDITURE OUT OF WORKING RAILWAYS ACCOUNT (DEPRECIATION FUND) AND PUBLIC WORKS FUND FOR THE YEAR ENDED 31ST MARCH, 1939—continued.

Locomotive Branch : Particulars of Rolling-stock.

Description of Stock ordered.	Number Incomplete on 31st March, 1938.	Number Complete on 31st March, 1939.	Number Incomplete on 31st March, 1939.	Expenditure, Working Railways Depreciation Fund.	Expenditure, Public Works Fund.	Total.
Locomotives, Classes KA, KB	26	..	41	£ ..	£ 199,948	£ 199,948
Locomotives, Class J .. ..	..	..	..	.. 134	..	134
Spares for locomotives, Class K .. ..	..	..	..	65	..	65
Convert three Garrett locomotives to six G loco- motives .. ..	..	..	..	52	..	52
Electric head and tail lights for locomotives .. ..	..	..	..	1,901	..	1,901
Fit exhaust steam injectors to locomotives .. ..	..	..	..	929	..	929
Fit superheaters to locomotives .. ..	..	..	..	429	..	429
Material for KA locomotives .. ..	..	..	..	..	73,484	73,484
Electric locomotives	10	1	9	633	31,058	31,691
Material for electric locomotives .. ..	..	..	..	..	15,653	15,653
Build five X boilers .. ..	..	..	..	..	5,086	5,086
Build one Wf boiler .. ..	..	..	..	..	1,240	1,240
Rail cars	6	5	1	..	80,870	80,870
Multiple units, coaches and trailers	12	12	..	..	97,553	97,553
Carriages, Class A	103	39	106	57,805	180,352	238,157
Carriage, one vice-regal .. ..	..	..	..	..	156	156
Fitting new and improving lavatories in existing carriages .. ..	..	..	..	2,620	..	2,620
Fitting steam heat to carriages .. ..	..	..	..	1,017	..	1,017
Improve seating in carriages .. ..	..	..	..	8,638	..	8,638
Fitting air-conditioning equipment to carriages .. ..	..	..	..	4	..	4
Fitting electric light to carriages .. ..	..	..	..	..	416	416
Roller-bearing bogies for carriages .. ..	..	..	..	Cr. 8,195	55,814	47,619
Fitting Westinghouse brake to carriages .. ..	..	..	..	..	870	870
Brake-vans, Class F	29	..	81	2,458	216	2,674
Wagons, Class G	15	..	15	..	200	200
Wagons, Class H	87	30	222	..	14,524	14,524
Wagons, Class J	516	300	816	..	72,349	72,349
Wagons, Class LA	1,930	980	1,700	70,742	214,645	285,387
Wagons, Class Mc	10	..	90	..	760	760
Wagons, Class N .. ..	..	..	..	..	2	2
Wagons, Class Q .. ..	..	..	20	..	45	45
Wagons, Class S	15	15	..	..	6,489	6,489
Wagons, Class T .. ..	..	..	10	..	15	15
Wagons, Class UB	128	11	137	1,810	14,394	16,204
Wagons, Class Ug	15	..	29	..	4,117	4,117
Wagons, Class VB	14	19	22	..	31,214	31,214
Wagons, Class W	34	12	102	..	12,156	12,156
Wagons, Class XA	36	..	186	..	4,325	4,325
Wagons, Class XB	6	6	..	..	Cr. 234	Cr. 234
Wagons, Class YB	30	..	70	4	2,386	2,390
Wagons, Class Z	30	..	40	..	Cr. 714	Cr. 714
Respraying wagons .. ..	..	..	..	8,378	..	8,378
Fitting Westinghouse brake to VB wagons .. ..	..	..	..	7,269	..	7,269
Fitting Janny-yoke drawgear to wagons .. ..	..	..	..	1,829	..	1,829
Material for cars, brake-vans, and wagons .. ..	..	..	..	..	183,300	183,300
Spare parts for rolling-stock .. ..	..	..	..	..	3,974	3,974
40-ton breakdown cranes	2	..	2	37	12,386	12,423
10-ton steam-crane .. ..	..	..	2	18	10,894	10,912
	3,054	1,430	3,701	158,443	1,330,077	1,488,520
SUMMARY.						
Locomotives	36	1	50	..	..	..
Rail cars	6	5	1	..	..	..
Motor coaches and trailers	12	12	..	..	..	..
Carriages	103	39	106	..	..	..
Brake-vans	29	..	81	..	..	..
Wagons, bogie	202	45	238	..	..	..
Wagons, four-wheeled	2,664	1,328	3,221	..	..	..
Cranes	2	..	4	..	..	..
	3,054	1,430	3,701	..	..	..

Particulars of Workshop and Depot Machinery, Motor-buses, and Motor-lorries.

Workshop equipment	£ ..	£ 81,021	£ 81,021
Machinery and equipment for locomotive running, and car and wagon depots .. ..	..	3,940	3,940
Motor-buses and motor-lorries	Cr. 352	197,205	196,853

RECONCILIATION STATEMENT, PUBLIC WORKS FUND.

£	s.	d.	£	s.	d.	£	s.	d.
Expenditure charged by						Expenditure—		
Treasury	2,653,040	10 2				Way and Works Branch	1,058,588	6 9
Vouchers outstanding						Locomotive Branch	1,415,039	0 4
previous year	104,603	11 2				Road services	197,204	12 7
			2,548,436	19 0				
Less recoveries			89,604	3 3				
			2,458,832	15 9				
Public Works Department: Administration								
charges			7,404	0 0				
Vouchers outstanding at 31st March, 1939			204,595	3 11				
			£2,670,831	19 8			£2,670,831	19 8

STATEMENT No. 16.

STATEMENT OF SEASON TICKETS ISSUED FOR THE YEARS ENDED 31ST MARCH, 1936 TO 1939.

Description of Tickets.	1938-39.		1937-38.		1936-37.		1935-36.	
	Number.	Amount.	Number.	Amount.	Number.	Amount.	Number.	Amount.
		£		£		£		£
Annual, all lines	6	665	5	566	10	1,019	9	1,078
Annual, North Island	47	3,973	52	4,592	55	4,629	49	4,223
Annual, South Island	1	71	1	74	4	279	4	274
Sectional annual, North Island	169	10,478	180	11,106	191	11,240	199	11,752
Sectional annual, South Island	66	3,325	74	3,524	84	4,075	98	4,745
Reporters' annual	18	832	19	814	16	679	16	677
Tourist, all lines	54	863	56	898	50	809	76	1,185
Tourist, North Island	168	1,565	209	1,909	206	1,995	247	2,397
Tourist, South Island	29	251	62	501	32	299	45	396
School	25,078	21,972	25,318	21,492	25,693	21,865	26,148	22,218
Bearer twelve-trip	56,649	10,099	62,969	11,246	72,920	15,741	72,607	16,339
Bearer six-trip	326,289	51,091	208,019	31,859	10,673	1,658	..	..
Weekly twelve-trip	58,512	10,066	69,391	11,601	110,844	21,252	109,418	20,882
Weekly workmen's	74,132	13,812	93,053	16,431	257,843	43,364	243,120	40,508
Suburban twelve-trip	291,715	56,091	245,342	45,542	..	..	..	..
All other season	55,911	61,611	45,747	60,636	34,442	60,768	30,110	53,884
Totals	888,844	246,765	750,497	222,191	513,063	189,672	482,146	180,558
Total passenger journeys	15,452,332	..	14,372,194	..	12,950,472	..	12,394,700	..

STATEMENT NO. 17.
STATEMENT OF OPERATING TRAFFIC AND REVENUE FOR THE YEAR ENDED 31ST MARCH, 1939.
(1) OPERATING TRAFFIC.

Section.	Length Open for Traffic.	Passengers.			Live-stock.					Goods.			Gross Total Tonnage.		
		First Class.	Second Class.	Total.	Season Tickets.	Cattle.	Calves.	Sheep.	Pigs.	Total.	Equivalent Tonnage.	Timber.		Goods.	Total.
Kaihu	24	203	13,757	13,960	72	4	..	100,968	263	103,286	4,737	1	2,777	3,945	3,946
Gisborne	56	1,261	14,184	15,445	48	2,055	..	4,684,599	613,020	6,336,665	394,454	10,859	61,633	72,492	77,229
North Island Main Line and Branches	1,489	211,358	4,421,018	4,632,376	614,739	439,293	599,753	24,428	4,466,432	4,631,480	214,218	277,923	3,039,858	3,317,786	3,712,240
South Island Main Line and Branches	1,594	154,365	2,869,151	3,023,516	272,252	96,382	..	..	..	..	..	208,293	2,811,925	3,020,218	3,234,436
Westport	36	216	54,247	54,463	681	155	..	25,286	126	30,344	1,423	78	443,282	443,985	444,042
Nelson	64	249	24,441	24,690	540	558	1,975	164,789	99	165,845	6,865	1,006	39,934	40,940	47,805
Picton	56	2,549	46,437	48,986	512	777	180	..	..	..	..	..	..	..	..
Total railway operation ..	3,319	370,201	7,443,235	7,813,436	888,844	539,224	626,336	9,442,200	660,145	11,267,905	621,755	501,644	6,415,613	6,917,257	7,539,012
Lake Wakatipu steamers	..	..	16,077	16,077	..	191	..	12,366	..	12,557	558	369	5,524	5,893	6,451

(2) OPERATING REVENUE.

Section.	Length Open for Traffic.	Revenue.								Mileage.				
		Ordinary Passengers.	Season Tickets.	Parcels, Luggage, and Mails.	Total Coaching.	Goods.	Labour, Demurrage, &c.	Total Goods.	Total Operating Revenue.	Per Mile of Railway per Annum (Aver- age).	Train.	Shunting, &c.	Total.	
	Miles.	£	£	£	£	£	£	£	£	£	d.	Number.	Number.	Number.
Kaihu	24	661	288	1,112	2,061	1,913	20	1,933	3,994	166	71.07	13,488	2,534	16,022
Gisborne	56	1,161	607	1,106	2,874	27,882	194	28,076	30,950	553	124.58	59,624	12,107	71,731
North Island Main Line and Branches ..	1,489	1,027,079	168,561	230,962	1,426,602	3,370,009	97,461	3,467,470	4,894,072	3,287	140.48	8,361,257	2,739,495	11,100,752
South Island Main Line and Branches ..	1,594	502,562	74,524	99,009	676,095	2,174,636	83,275	2,257,911	2,934,006	1,841	156.94	4,486,925	1,893,518	6,380,443
Westport	36	2,876	853	667	4,396	85,281	4,551	89,832	94,228	2,617	323.61	69,883	50,278	120,161
Nelson	64	1,317	1,029	210	2,556	8,493	94	8,587	11,143	174	68.19	39,218	10,502	49,720
Picton	56	3,225	903	1,104	5,232	26,722	4,712	31,434	36,666	655	208.43	42,220	36,750	78,970
Total railway operation ..	3,319	1,538,881	246,765	334,170	2,119,816	5,694,936	190,307	5,885,243	8,005,059	2,412	146.96	13,072,615	4,745,184	17,817,799
Lake Wakatipu steamers .. ..	..	2,621	34	493	3,148	3,989	12	4,001	7,149	..	..	..	..	..

STATEMENT NO. 18.

STATEMENT OF TRAFFIC AND REVENUE FOR EACH STATION FOR THE YEAR ENDED 31ST MARCH, 1939.

Stations.	OUTWARD.														INWARD.				
	TRAFFIC.														TRAFFIC.				
	Number of Passenger Journeys.			Season Tickets.	Cattle and Calves.	Sheep and Pigs.	Timber, Hundreds of Superficial Feet.	Other Goods.	Ordinary Passengers.	Season Tickets.	Parcels, Luggage, and Mails.	Goods.	Miscellaneous.	Total.	Cattle and Calves.	Sheep and Pigs.	Timber, Hundreds of Superficial Feet.	Other Goods.	
	First-class.	Second-class.	Total.																
NORTH ISLAND MAIN LINE AND BRANCHES—																			
Auckland—				No.	No.	No.		Tons.	£	£	£	£	£	£	No.	No.		Tons.	
Coaching	20,359	450,826	471,185	27,945	..	..	..	..	127,462	9,007	54,668	..	1,190	192,327	..	..	..	..
Goods .. ..	..	..	..	..	131	2,762	79,102	429,154	..	..	..	478,972	12,133	491,105	408	1,744	50,129	247,252
Newmarket	1,139	73,015	74,154	10,260	29	..	5,545	3,942	5,051	1,846	806	12,169	89	19,961	10	..	80,024	16,128	
Mount Eden	449	31,031	31,480	4,613	59	..	646	3,688	2,918	750	544	4,932	89	9,233	234	..	64,366	56,181	
Avondale	440	60,988	61,428	27,641	316	..	108	6,514	2,593	4,954	436	6,607	51	14,641	200	..	73,657	8,761	
Henderson	261	77,888	78,149	15,171	10,448	18,395	461	8,045	2,962	3,687	784	7,776	32	15,241	1,393	4,435	4,822	9,061	
Helensville	443	38,141	38,584	282	20,442	61,220	1,145	8,261	3,944	188	314	11,558	115	16,119	4,069	11,743	4,688	34,864	
Wellsford	168	6,971	7,139	42	12,420	38,098	8,300	7,912	1,604	40	275	10,259	103	12,281	2,218	6,435	2,470	11,788	
Maungaturoto	372	12,267	12,639	..	20,549	40,261	20	2,247	2,617	..	134	6,933	18	9,702	1,642	3,553	1,210	11,441	
Paparoa	57	2,540	2,597	34	4,418	12,565	7	3,277	705	4	101	3,371	6	4,187	682	2,408	1,357	3,509	
Waiotira	49	7,119	7,168	41	29,050	67,787	2,302	18,312	970	34	233	29,611	387	31,235	1,719	3,384	2,560	111,199	
Whangarei	1,428	44,762	46,190	737	29,452	43,450	1,801	60,544	9,844	392	1,724	26,085	617	38,662	2,238	2,859	21,097	30,253	
Hikurangi	164	5,879	6,043	78	6,510	9,271	21,608	65,548	1,170	65	201	24,349	41	25,826	709	2,289	612	8,476	
Otiria	412	9,743	10,155	41	3,041	7,509	5,867	2,149	4,081	31	428	5,157	27	9,724	673	936	1,107	8,897	
Kawakawa	227	8,065	8,292	10	41	27	54	6,650	1,116	2	239	3,264	17	4,638	39,016	52,960	1,457	11,129	
Opuha	478	19,689	20,167	118	171	283	3,287	413	3,099	68	178	778	121	4,244	1	100	1,027	7,474	
Kaikohe	211	6,389	6,600	51	2,964	7,121	5,742	2,338	2,913	45	354	6,928	9	10,249	399	919	4,685	11,142	
Okaihau	28	5,704	5,732	..	1,300	5,001	5,988	2,771	1,014	..	107	5,423	3	6,547	144	470	1,902	6,874	
Remuera	74	4,165	4,239	2,982	420	83	61	192	120	381	39	380	3	923	568	437	27,890	546	
Greenlane	106	23,871	23,977	6,336	2	..	84	53	631	1,034	52	421	6	2,144	12	74	2,746	2,693	
Ellerslie	117	33,961	34,078	6,895	306	..	..	91	828	1,232	104	1,417	9	3,590	316	..	298	648
Penrose	51	24,782	24,833	3,608	849	5,381	376	117,012	487	584	173	65,099	80	66,423	321,908	1,040,500	60,383	53,669	
Onchurch	62	5,751	5,813	4,775	2	..	17,107	1,995	395	906	132	2,069	188	3,690	55	728	13,379	45,249	
Otahuhu	849	126,526	127,375	24,406	2,370	11,541	134	176,235	3,712	5,855	343	102,292	75	112,277	77,857	184,761	20,637	127,012	
Papatoetoe	244	57,606	57,850	13,205	660	234	662	950	2,205	3,079	171	909	10	6,374	3,817	7,963	19,253	7,757	
Papakura	1,818	100,890	102,708	20,493	3,198	3,229	27	3,914	5,011	5,015	356	2,257	25	12,664	4,808	11,355	5,474	9,590	
Drury	12	6,850	6,862	312	5,607	13,885	36	6,686	455	158	62	6,100	64	6,839	906	819	867	8,609	
Waikuku	78	8,327	8,405	5	19,586	15,922	94	446	887	4	119	1,922	10	2,942	1,818	9,753	7,616	39,688	
Pukekohe	2,061	48,502	50,563	219	21,326	18,600	31	11,285	6,497	111	644	12,458	39	19,659	3,691	4,081	8,449	24,467	
Tuakau	569	22,794	23,363	405	8,615	58,149	33	6,060	2,479	135	304	6,772	130	9,829	1,526	20,443	3,694	14,614	
Pokeno	19	10,033	10,052	58	3,162	16,881	21	2,003	735	40	57	1,702	4	2,538	1,433	2,365	8,005	19,135	
Mercury	483	19,319	19,802	175	2,174	6,077	579	36,739	1,545	114	109	12,753	129	14,650	273	1,428	270	3,877	
Te Kauwhata	91	6,099	6,190	61	22,623	47,719	58	8,306	973	53	814	9,282	8	11,130	1,799	8,792	2,273	8,399	
Huntly	827	60,192	61,019	12,483	5,713	13,262	87	283,964	6,424	2,809	429	211,558	276	221,496	2,106	3,555	9,026	43,641	
Glen Afton	30	13,799	13,829	446	1,182	13,056	507	204,439	894	158	44	134,136	18	135,250	1,141	6,841	1,012	16,642	
Taupiri	112	7,009	7,121	162	8,236	18,612	432	5,210	716	87	85	6,311	58	7,287	1,281	2,574	1,808	11,140	
Ngaurawahia	377	15,502	15,879	3,016	1,681	6,765	5	74,289	2,332	591	237	66,625	1,976	71,761	131,969	71,328	3,887	19,125	
Frankton Junction	5,411	100,388	105,799	102	22,332	144,362	495	25,464	31,248	152	1,761	32,042	962	66,165	6,239	76,165	70,992	64,499	
Hamilton	2,729	60,882	63,611	527	22,265	16,888	2,643	18,593	15,013	738	4,582	26,924	353	47,610	1,668	8,291	52,934	36,619	
Cambridge	141	4,430	4,571	84	18,128	57,515	73	1,773	1,042	78	301	6,531	11	7,963	3,583	9,565	5,253	35,341	
Morrinsville	630	25,735	26,365	257	56,257	140,981	514	17,877	4,499	209	718	38,252	33	43,711	16,847	106,275	12,665	35,203	
Matamata	630	18,667	19,297	18	31,656	127,425	4,380	8,202	4,502	15	616	25,985	67	31,185	5,931	23,890	2,609	39,112	
Putaruru	431	20,721	21,152	289	12,399	52,403	129,841	3,615	4,238	251	556	38,893	101	44,039	3,822	53,347	4,374	30,006	
Mamakau	123	13,179	13,302	113</															

STATEMENT NO. 18—continued.

STATEMENT OF TRAFFIC AND REVENUE FOR EACH STATION FOR THE YEAR ENDED 31ST MARCH, 1939—continued.

Stations.	OUTWARD.														INWARD.				
	TRAFFIC.														TRAFFIC.				
	Number of Passenger Journeys.			Season Tickets.	Cattle and Calves.	Sheep and Pigs.	Timber, Hundreds of Superficial Feet.	Other Goods.	Ordinary Passengers.	Season Tickets.	Parcels, Luggage, and Mails.	Goods.	Miscellaneous.	Total.	Cattle and Calves.	Sheep and Pigs.	Timber, Hundreds of Superficial Feet.	Other Goods.	
	First-class.	Second-class.	Total.																
NORTH ISLAND MAIN LINES AND BRANCHES—contd.																			
Tariki	82	2,476	2,558	No. 161	No. 102	No. 4,142	..	Tons. 990	£ 196	£ 86	£ 10	£ 870	£ 2	£ 1,164	No. 109	No. 2,196	788	Tons. 3,701	
Midhurst	40	4,100	4,140	242	5,534	444	..	2,687	242	101	15	2,414	3	2,775	92	738	834	6,079	
Stratford	1,376	44,005	45,381	278	16,522	46,051	280	11,150	10,748	204	980	8,529	74	20,535	4,071	14,507	11,607	20,348	
Te Wera	8	848	856	28	931	9,871	3	5,501	117	7	17	2,251	..	2,392	1,095	6,352	424	4,402	
Whangamomona ..	56	2,959	3,015	12	2,134	38,876	3,912	3,873	572	11	82	6,428	1	7,094	1,119	4,546	550	2,214	
Ohura	133	8,205	8,338	21	4,232	36,498	26,780	1,566	1,860	27	206	12,017	13	14,123	1,257	10,973	967	10,650	
Eltham	332	23,320	23,652	402	39,298	46,190	275	13,256	3,697	254	316	14,896	33	19,196	8,926	36,142	12,793	23,918	
Normanby	5	4,574	4,579	49	19,436	26,241	84	10,992	349	38	50	10,642	2	11,081	2,167	8,957	6,085	25,543	
Hawera	1,469	42,747	44,216	234	13,212	77,082	544	18,249	10,708	189	952	16,551	44	28,444	6,022	66,996	13,048	34,509	
Patea	321	12,765	13,086	149	1,775	22,254	27	17,666	2,739	126	323	30,967	455	34,610	48,145	161,194	4,844	39,604	
Waverley	161	9,565	9,726	71	8,824	61,964	..	11,420	1,644	56	180	10,210	21	12,111	5,821	33,502	3,000	11,857	
Aramoho	748	20,556	21,304	11	5,295	34,582	1	60,639	4,092	10	374	28,306	23	32,805	2,083	15,133	3,667	50,116	
Wanganui	2,674	57,823	60,497	202	3,343	19,444	1,566	14,866	14,833	246	1,901	13,351	1,708	32,039	24,147	195,546	30,210	45,623	
„ (Wharf) .. ..	..	..	..	..	..	..	4,379	54,024	..	..	..	14,390	7,567	21,867	..	..	69	4,689
Fordell	158	5,237	5,395	47	2,861	37,684	56	491	738	43	118	3,066	4	3,969	1,315	15,163	13,893	13,894	
Turakina	35	6,042	6,077	74	2,806	19,558	..	990	591	32	116	2,321	15	3,075	571	21,357	441	10,840	
Greatford	317	2,541	2,858	34	3,166	38,491	31	25,770	406	20	50	10,854	1	11,331	286	16,490	1,401	5,421	
Halcombe	72	6,869	6,941	193	609	16,846	..	1,248	540	116	38	2,509	1	3,204	291	8,699	533	4,370	
Feilding	1,503	18,325	19,828	19	18,122	267,369	122	15,122	6,503	15	668	30,543	79	37,808	23,735	117,582	11,031	40,323	
Palmerston North ..	11,025	165,753	176,778	216	1,858	32,298	2,566	49,986	44,983	312	4,437	73,758	870	124,360	11,112	118,732	62,267	92,839	
Ashhurst	59	7,463	7,522	6	1,154	20,476	..	1,008	636	5	54	3,337	3	4,035	4,843	16,714	305	3,939	
Longburn	287	12,132	12,419	63	6,625	47,043	..	23,538	424	22	65	27,486	4	28,001	17,269	118,283	515	5,468	
Foxton .. ..	..	500	500	..	117	1,299	1,690	5,518	19	..	61	3,365	367	3,812	1,472	8,891	8,144	17,001
Shannon	163	32,800	32,963	419	10,369	69,978	12	3,427	2,824	335	173	6,806	6	10,144	1,377	24,502	2,506	6,403	
Levin	1,166	43,984	45,150	216	12,880	58,975	351	4,031	7,739	226	458	6,682	69	15,174	5,364	37,860	10,019	11,896	
Otaki	744	33,023	33,767	167	3,508	27,965	389	1,933	4,736	108	4,608	3,525	23	13,000	1,134	8,562	2,945	5,338	
Paekakariki	1,472	68,357	69,829	14,197	1,178	26,633	1,765	1,482	5,254	4,247	3,267	2,547	76	15,391	705	3,611	5,071	30,538	
Johnsonville	72	30,640	30,712	25,981	371	10,271	34	17	1,018	4,967	37	558	10	6,590	10,816	63,860	1,708	1,499	
Wellington—																			
Booking	45,733	698,988	744,721	182,135	..	..	..	156,826	38,021	29,623	..	..	981	225,451	..	..	..	..
Goods .. ..	..	..	..	..	424	2,496	49,052	237,534	..	..	..	319,646	5,037	324,683	752	3,663	72,492	190,200
Wharf .. ..	..	..	..	..	..	..	..	7,567	..	..	..	764	..	764	..	..	..	47,449
Courtenay Place ..	1,802	21,378	23,180	1,647	..	..	..	15,088	1,406	6,818	..	..	20	23,332	..	..	..	..
Ngahauranga	4	2,142	2,146	1,112	368	990	22	11,855	47	190	4	699	1	941	12,975	664,227	364	3,423	
Petone	3,595	169,134	172,729	115,699	85	3,071	981	42,557	5,651	22,230	393	81,216	202	109,692	9,788	565,951	43,121	28,653	
Lower Hutt	1,369	42,561	43,930	34,097	64	..	..	21,359	2,810	7,079	592	9,533	104	20,118	2,271	1,543	23,420	2,785
Upper Hutt	666	73,639	74,305	34,753	1,044	4,111	..	464	3,880	9,888	438	1,990	41	16,237	1,220	3,728	1,530	5,572	
Featherston	506	27,603	28,109	166	6,551	155,727	263	7,978	3,688	126	389	14,850	27	19,080	645	3,963	3,383	12,742	
Carterton	272	9,969	10,241	87	2,439	92,428	60	20,478	2,491	77	324	29,836	21	32,749	8,800	119,657	7,120	11,007	
Masterton	1,330	32,650	33,980	41	7,836	133,732	1,099	7,956	8,976	67	909	15,115	120	25,187	2,718	9,753	12,536	26,727	
Mauriceville	16	2,458	2,474	46	563	6,766	..	16,038	291	36	24	8,064	1	8,416	152	269	41	1,559	
Eketahuna	152	5,700	5,852	51	7,132	44,621	154	2,888	1,404	49	118	6,808	6	8,385	894	2,296	1,216	5,862	
Hukanui	5	1,374	1,379	9	1,539	8,643	..	557	204	16	23	1,222	4	1,469	102	849	150	3,028	
Pahiatua	357	5,455	5,812	14	9,299	99,867	21	3,457	1,637	4	224	9,8,							

STATEMENT No. 18—continued.

STATEMENT OF TRAFFIC AND REVENUE FOR EACH STATION FOR THE YEAR ENDED 31ST MARCH, 1939—continued.

Stations.	OUTWARD.														INWARD.					
	TRAFFIC.														TRAFFIC.					
	Number of Passenger Journeys.			Season Tickets.	Cattle and Calves.	Sheep and Pigs.	Timber, Hundreds of Superficial Feet.	Other Goods.	Ordinary Passengers.	Season Tickets.	Parcels, Luggage, and Mails.	Goods.	Miscellaneous.	Total.	Cattle and Calves.	Sheep and Pigs.	Timber, Hundreds of Superficial Feet.	Other Goods.		
	First-class.	Second-class.	Total.																	
SOUTH ISLAND MAIN LINE AND BRANCHES—																				
Lytelton	25,027	105,519	130,546	No. 39,075	No. 309	No. 31,762	45,435	Tons. 376,470	£ 6,010	£ 6,693	£ 7,956	£ 172,503	£ 22,184	£ 215,346	No. 1,008	No. 14,010	10,108	Tons. 237,787		
(Wharf) .. ..	..	..	..	..	..	..	..	10,327	..	..	..	2,225	..	2,225	..	..	..	37,961
Heathcote	648	38,496	39,144	8,793	..	..	..	5,799	551	1,346	77	3,801	1	5,776	..	..	457	10,297
Woolston	466	24,641	25,107	10,972	56	..	..	3,848	587	1,633	156	1,873	2	4,251	89	..	318	13,623
Opawa	266	19,289	19,555	6,342	..	..	..	..	398	979	25	..	..	1,415	..	..	..	..
Christchurch	45,519	458,834	504,353	41,575	..	..	..	..	75,199	7,355	18,549	..	486	101,589	..	..	..	..
Goods .. .. .	..	..	..	..	383	5	3,581	101,878	..	..	..	95,452	2,622	98,074	859	25	67,741	351,972
Central Booking Office ..	11,515	50,431	61,946	117	..	..	..	..	36,852	1,219	654	..	29	38,754	..	..	..	..
Bus Office .. ..	..	..	..	..	..	..	..	..	..	..	53	..	..	53	..	..	..	..
Addington	723	23,318	24,041	1,039	4,245	188,289	5,015	39,202	1,551	197	232	25,600	259	27,839	21,728	359,777	133,321	71,455		
Riccarton	113	2,425	2,538	411	..	..	909	3,887	268	90	49	1,318	1	1,726	6	..	49,270	15,388
Papanui	168	6,415	6,583	961	27	..	666	6,024	572	213	111	4,239	6	5,141	102	120	27,500	8,265		
Belfast	7	6,355	6,362	296	200	8,196	120	27,768	298	156	47	16,020	5	16,526	12,026	866,137	5,570	10,412		
Kaiapoi	81	9,565	9,646	1,205	216	5,264	261	16,710	819	429	149	8,440	24	9,861	217	264,740	4,707	10,823		
Rangiora	206	18,135	18,341	7,128	1,851	23,144	6,043	10,039	1,638	1,830	426	7,200	119	11,213	745	8,954	7,815	10,167		
East Oxford .. ..	..	581	581	..	332	43,748	..	2,238	45	..	25	2,607	2	2,679	186	11,144	1,004	5,588	
Sefton	22	3,700	3,722	123	121	4,229	..	4,283	295	80	189	2,390	4	2,868	57	3,613	429	4,292		
Amberley	49	2,353	2,402	110	453	61,359	7	2,768	332	89	65	3,189	25	3,700	177	19,283	1,867	2,430		
Waipara	147	2,712	2,859	43	1,517	143,632	1,064	4,317	354	35	244	8,229	46	8,908	157	6,397	1,408	1,197		
Mina	49	1,109	1,158	31	830	66,309	5,744	3,167	359	24	328	6,253	5	6,969	565	9,472	2,481	4,474		
Parnassus	108	4,331	4,439	..	2,832	84,636	9	3,017	861	..	98	8,430	91	9,480	216	3,816	7,488	9,687		
Waikari	41	2,332	2,373	15	251	30,963	..	14,177	331	13	72	6,714	15	7,145	99	4,205	1,245	2,438		
Hawarden	9	1,763	1,772	1	894	107,755	64	3,317	219	1	240	5,777	4	6,241	147	10,436	1,293	2,251		
Culverden	43	1,290	1,333	..	1,648	83,423	17	4,594	363	..	144	6,692	10	7,209	333	3,442	2,303	6,564		
Waiau	11	586	597	..	592	62,363	..	1,405	220	..	86	4,678	12	4,996	298	2,262	753	2,731		
Kaikoura	520	153	673	..	..	..	..	..	511	..	27	..	..	538	..	..	..	..
Hornby	58	6,946	7,004	125	1,229	1,351	..	60,280	657	79	63	22,191	2	22,992	1,244	3,351	4,821	73,162		
Lincoln	8	5,601	5,609	137	1,608	54,198	76	12,543	297	90	25	5,055	5	5,472	50	5,184	505	3,484		
Leeston	59	3,880	3,939	75	1,399	29,374	..	5,113	409	87	70	2,941	9	3,516	241	25,390	1,432	6,518		
Southbridge	10	4,792	4,802	12	177	33,801	..	9,876	501	14	247	5,508	1	6,271	73	9,977	794	2,676		
Little River	1	6,133	6,134	119	6,903	138,443	788	1,882	916	124	821	6,814	20	8,695	1,702	21,013	2,340	4,133		
Islington	25	5,331	5,356	405	21	2,025	256	17,411	376	85	104	7,767	9	8,341	7,499	369,772	2,557	11,520		
Rolleston	150	9,811	9,961	34	519	38,473	..	5,602	942	28	72	3,614	6	4,662	301	4,869	83	2,158		
Kirwee	5	1,001	1,006	29	90	11,467	..	3,542	91	26	83	1,849	1	2,050	39	11,948	70	2,703		
Darfield	95	2,193	2,288	58	265	61,854	92	7,420	333	52	60	4,487	6	4,938	175	4,755	2,179	2,056		
Coalgate	2	633	635	..	440	67,276	43	11,530	72	..	42	8,527	4	8,645	114	5,219	2,286	3,706		
Sheffield	40	1,844	1,884	46	523	36,592	540	3,028	381	44	288	3,119	6	3,838	99	6,529	226	2,102		
Springfield	591	9,257	9,848	31	325	16,438	215	1,957	1,275	31	185	3,438	59	4,988	117	2,934	2,183	2,886		
Arthurs Pass	89	2,407	2,496	..	4	..	70	180	452	..	51	250	1	754	41	814	1,635	1,030		
Otira	503	18,522	19,025	3	1,089	7,338	83,951	1,535	2,344	2	258	25,414	40	28,058	278	195	1,822	3,409		
Moana	40	4,285	4,325	46	977	1,466	47,234	915	718	31	274	12,227	3	13,253	181	2,763	637	4,994		
Stillwater	277	12,657	12,934	55	64	92	18,533	91,541	1,827	36	108	37,169	11	39,151	390	927	1,279	801		
Ngahere	93	7,597	7,690	39	1,315	8,632	102,996	3,490	648	34	110	21,056	5	21,853	265	1,955	69	1,636		
Blackball	24	5,414	5,438	189	..	..	1	49,551	638	155	30	30,143	6	30,972	2	..	691	3,195
Ikamatua	127	5,235	5,362	27	321	5,074	32,144	6,679	1,276	21	114	13,987	52							

STATEMENT No. 18—continued.

STATEMENT OF TRAFFIC AND REVENUE FOR EACH STATION FOR THE YEAR ENDED 31ST MARCH, 1939—continued.

Stations.	OUTWARD.										INWARD.							
	TRAFFIC.										REVENUE.							
	Number of Passenger Journeys.			Season Tickets.	Cattle and Calves.	Sheep and Pigs.	Timber, Hundreds of Superficial Feet.	Other Goods.	Ordinary Passengers.	Season Tickets.	Parcels, Luggage, and Mails.	Goods.	Miscellaneous.	Total.	Cattle and Calves.	Sheep and Pigs.	Timber, Hundreds of Superficial Feet.	Other Goods.
	First-class.	Second-class.	Total.															
SOUTH ISLAND MAIN LINE AND BRANCHES—contd.																		
Port Chalmers ..	1,703	37,704	39,407	No. 19,517	No. 4	No. ..	253	Tons. 46,800	£ 1,413	£ 4,163	£ 118	£ 17,635	£ 2,453	£ 25,782	No. 7	No. ..	3,426	Tons. 49,590
St. Leonard's ..	157	6,109	6,266	4,605	14	..	..	3	178	780	6	5	1	970	38	..	54	42
Ravensbourne ..	834	30,102	30,936	5,957	..	..	..	48,030	498	1,192	16	22,554	4	24,264	..	..	169	6,520
Dunedin ..	18,118	386,653	404,771	33,658	..	..	..	..	81,512	7,146	11,968	..	459	101,085	..	..	..	..
(Goods) ..	..	..	..	..	891	265	18,429	146,285	..	..	..	170,173	1,710	171,883	966	2,267	88,651	205,427
(Bus Office) ..	53	171	224	..	..	..	..	..	34	..	..	..	..	34	..	..	..	..
Caversham ..	307	20,801	21,108	1,737	..	..	3	665	1,288	220	132	733	4	2,377	..	..	6,597	5,757
Burnside ..	377	13,753	14,130	4,775	2,680	15,361	6	69,735	341	684	103	65,335	48	66,511	20,644	459,141	4,260	120,128
Green Island ..	804	22,476	23,280	10,719	..	..	..	5,332	761	1,661	54	2,879	43	5,398	..	..	513	15,117
Abbotsford ..	119	17,933	18,052	10,601	..	..	..	1,298	449	1,699	24	1,238	20	3,430	..	..	37	707
Wingatui ..	62	11,925	11,987	3,578	1,038	24,582	20	1,724	609	703	74	4,667	4	6,057	813	770	588	1,555
Middlemarch ..	66	2,555	2,621	..	985	72,033	9	1,657	509	..	416	6,693	6	7,624	311	6,356	425	3,609
Waipia ..	116	1,913	2,029	..	603	47,469	26	794	598	..	98	4,243	2	4,941	361	4,791	1,085	5,117
Ranfurly ..	171	3,247	3,418	2	348	51,102	26	1,266	1,151	1	206	5,196	7	6,561	97	3,175	1,599	3,813
Oturehau ..	23	1,121	1,144	..	590	68,735	1	1,490	375	..	190	7,605	..	8,170	89	4,175	455	1,801
Omakau ..	101	2,035	2,136	..	775	69,128	2	1,121	767	..	343	7,319	2	8,431	160	6,594	1,680	4,015
Alexandra ..	126	2,344	2,470	5	274	13,761	54	3,490	1,307	24	300	6,771	12	8,414	109	4,052	2,324	5,876
Clyde ..	38	1,521	1,559	99	50	3,358	12	1,553	469	52	183	3,439	1	4,144	2	142	1,591	1,757
Cromwell ..	201	4,913	5,114	2	920	50,799	4	5,100	2,279	1	389	11,689	46	14,404	186	4,084	4,509	10,936
Mosgiel ..	1,543	44,873	46,416	19,216	431	4,156	61	2,447	2,769	4,174	274	1,679	11	8,907	329	5,323	2,926	3,469
Ontram ..	17	3,903	3,920	234	100	3,288	..	743	242	98	31	526	5	902	109	406	589	6,461
Allanton ..	463	8,081	8,544	389	963	21,409	12	1,760	567	115	57	2,019	3	2,761	1,183	15,071	297	3,063
Milburn ..	6	1,216	1,222	12	69	5,234	..	87,128	113	16	18	27,828	362	28,337	71	1,558	321	8,899
Milton ..	587	23,198	23,785	71	1,002	21,715	38	7,458	3,877	69	891	4,846	96	9,779	534	9,792	757	9,937
Lawrence ..	9	1,307	1,316	..	374	16,006	35	653	172	..	123	1,561	5	1,861	249	3,625	340	6,773
Miller's Flat ..	..	111	111	..	183	21,754	22	1,823	28	..	66	4,056	4	4,154	160	2,770	672	3,019
Roxburgh ..	10	245	255	..	80	10,142	..	4,526	119	..	70	8,264	3	8,456	23	617	1,524	4,537
Lovell's Flat ..	148	2,307	2,455	28	138	12,712	..	3,125	179	25	21	2,484	3	2,712	17	933	770	4,816
Stirling ..	97	12,532	12,629	141	4,973	7,738	..	127,490	1,430	113	109	69,768	1,899	73,319	974	3,084	1,057	4,120
Balclutha ..	1,199	34,003	35,202	62	2,013	50,016	193	15,962	6,893	97	855	19,680	98	27,623	2,804	129,747	3,966	17,305
Owaka ..	36	5,251	5,287	12	1,760	24,487	37,093	5,488	1,099	10	197	12,811	8	14,125	359	11,921	597	7,615
Tahakopa ..	..	6,918	6,918	1	139	2,692	22,593	345	921	1	81	5,487	2	6,492	137	2,629	..	3,552
Waiwera ..	27	2,747	2,774	..	237	7,479	535	887	342	..	317	1,407	..	2,066	38	909	227	6,171
Clinton ..	308	15,539	15,847	123	602	39,034	9,006	617	2,205	122	95	4,518	19	6,959	47	2,980	657	6,878
Waipahi ..	113	7,143	7,256	1	1,546	43,377	88	1,415	1,486	..	135	3,785	4	5,410	509	2,724	1,460	11,557
Tapuanui ..	29	1,927	1,956	..	395	32,768	1,309	1,818	646	..	27	5,355	..	6,028	68	1,622	494	7,580
Heriot ..	..	148	148	..	519	68,553	6	1,082	59	..	72	5,389	7	5,527	301	2,731	507	11,576
Gore ..	1,608	54,448	56,056	201	2,380	161,298	633	16,546	12,905	135	1,173	19,925	161	34,299	1,564	12,480	4,682	48,879
Riversdale ..	23	3,979	4,062	151	1,294	103,108	..	13,599	410	134	131	11,257	8	11,940	309	5,775	411	22,452
Mataura ..	313	30,214	30,527	572	925	25,218	691	17,894	3,344	365	137	23,475	100	27,421	358	80,264	764	26,975
Edendale ..	245	16,527	16,772	262	1,257	40,471	23	4,915	2,996	163	191	6,580	69	9,999	828	28,049	169	18,096
Wyndham ..	19	652	671	..	636	6,165	1,080	2,547	160	..	40	3,099	..	3,299	110	1,782	166	13,493
Woodlands ..	76	9,307	9,383	58	905	25,208	97	2,873	1,086	48	108	2,857	10	4,109	213	26,283	311	14,343
Lavercaigill ..	5,745	199,477	205,222	5,438	..	..	..	..	44,363	2,222	2,823	..	158	49,566				

STATEMENT NO. 19.

CLASSIFICATION OF GOODS AND LIVE-STOCK TRAFFIC AND EARNINGS BY COMMODITIES.

23

D.—2.

Commodity.	Year ended 31st March, 1939.										Year ended 31st March, 1938.									
	Tonnage carried.	Per Cent. of Gross.	Tons One Mile (000 omitted).	Average Haul.	Revenue.			Tonnage carried.	Per Cent. of Gross.	Tons One Mile (000 omitted).	Average Haul.	Revenue.								
					Total.	Per Cent. of Gross.	Per Ton.					Total.	Per Cent. of Gross.	Per Ton.						
				Miles.	£	s.	d.				Miles.	£	s.	d.						
<i>Products of Agriculture.</i>																				
Grain ..	185,203	2.44	10,626	57	100,559	1.74	0 11 0	2.27	238,196	3.17	13,039	55	120,521	2.19	0 10 1	2.22				
Meals ..	114,595	1.52	7,315	64	69,841	1.21	0 12 2	2.92	116,465	1.55	7,100	61	68,167	1.24	0 11 9	2.30				
Fruit and vegetables ..	56,737	0.75	11,728	207	93,751	1.62	1 13 0	1.29	50,808	0.68	9,111	179	75,131	1.37	1 9 7	1.98				
Root crops and fodder ..	137,500	1.82	10,594	77	87,024	1.50	0 12 8	1.97	145,839	1.94	12,558	86	86,834	1.58	0 11 11	1.66				
Flax, green and pressed ..	6,249	0.08	6,521	83	5,845	0.10	0 18 9	2.69	12,679	0.17	1,053	83	10,781	0.20	0 17 0	2.46				
Seeds ..	16,346	0.22	1,212	74	14,149	0.24	0 17 4	2.80	21,194	0.28	1,456	69	14,602	0.27	0 13 9	2.41				
	516,630	6.83	41,996	81	371,169	6.41	0 14 4	2.12	585,181	7.79	44,317	76	376,036	6.85	0 12 10	2.04				
<i>Animals and other Products.</i>																				
Cattle, calves, horses ..	211,058	2.80	18,509	88	236,662	4.08	1 2 5	3.07	216,666	2.88	18,783	87	237,488	4.32	1 1 11	3.03				
Sheep and pigs ..	410,695	5.44	31,821	77	441,479	7.61	1 1 6	3.33	451,409	6.00	35,974	80	454,333	8.26	1 0 2	3.03				
Meat ..	262,954	3.48	9,501	36	239,332	4.13	0 18 2	6.05	250,242	3.33	8,683	35	214,856	3.90	0 17 2	5.94				
Butter ..	138,845	1.84	10,134	73	155,936	2.69	1 2 6	3.69	155,822	2.07	11,352	73	168,127	3.05	1 1 7	3.55				
Cheese ..	71,794	0.95	3,684	51	69,331	1.20	0 19 4	4.52	74,310	1.00	3,852	52	68,318	1.24	0 18 4	4.26				
Wool ..	172,197	2.28	9,660	56	178,799	3.09	1 0 9	4.44	159,442	2.12	9,483	59	156,807	2.85	0 19 8	3.97				
Dairy by-products ..	20,220	0.27	1,724	85	20,891	0.36	1 0 8	2.91	25,718	0.34	2,094	81	24,075	0.44	0 18 9	2.76				
Fat, hides, and skins ..	45,300	0.60	2,188	48	47,449	0.82	1 1 0	5.20	43,260	0.58	2,230	52	44,510	0.81	1 0 7	4.79				
Fish ..	10,171	0.13	1,901	187	16,828	0.29	1 13 1	2.11	10,127	0.13	1,888	187	15,911	0.29	1 11 10	2.02				
	1,343,234	17.79	89,122	66	1,406,707	24.27	1 1 0	3.79	1,386,996	18.45	94,339	68	1,384,425	25.16	1 0 0	3.52				
<i>Products of Mines.</i>																				
Agricultural lime ..	379,504	5.04	23,033	61	132,518	2.29	0 7 0	1.38	376,741	5.02	23,230	62	132,175	2.40	0 7 0	1.37				
Coal, imported ..	36,035	0.48	1,760	49	18,705	0.32	0 10 4	2.56	30,574	0.41	732	24	11,560	0.23	0 7 7	3.79				
Coal, New Zealand hard ..	830,683	11.02	36,886	44	277,098	4.79	0 6 8	1.80	822,135	10.93	36,032	44	266,209	4.84	0 6 6	1.77				
Coal, New Zealand brown ..	897,602	11.90	108,183	121	593,634	10.25	0 13 3	1.32	833,933	11.09	105,337	126	555,341	10.09	0 13 4	1.27				
Road-metal ..	169,938	2.26	5,816	34	48,374	0.83	0 5 8	2.00	129,056	1.72	4,545	35	37,047	0.67	0 5 9	1.96				
Lime and coke ..	40,936	0.54	3,328	81	24,556	0.42	0 12 0	1.77	38,612	0.51	3,135	81	24,388	0.44	0 12 7	1.87				
	2,354,718	31.24	179,006	76	1,094,885	18.90	0 9 3	1.47	2,231,051	29.68	173,011	78	1,026,720	18.67	0 9 2	1.42				
<i>Products of Forests.</i>																				
Timber, imported ..	25,458	0.34	1,993	78	30,688	0.53	1 4 1	3.70	20,520	0.27	1,368	67	19,843	0.36	0 19 4	3.48				
Timber, New Zealand ..	476,187	6.32	57,618	121	475,129	8.20	1 0 0	1.98	469,687	6.25	54,582	116	446,860	8.14	0 19 0	1.96				
Firewood, posts, &c. ..	76,565	1.02	6,978	91	39,076	0.67	0 10 2	1.34	89,009	1.19	7,769	87	42,969	0.78	0 9 8	1.33				
	578,210	7.68	66,589	115	544,893	9.40	0 18 10	1.96	579,216	7.71	63,719	110	509,672	9.28	0 17 7	1.92				
<i>Manufactures, &c.</i>																				
Benzine, gasolene, kerosene ..	188,492	2.50	17,401	92	311,496	5.37	1 13 0	4.30	174,860	2.34	16,227	93	286,420	5.21	1 12 9	4.24				
Cement ..	87,044	1.16	10,324	119	94,485	1.63	1 1 9	2.20	68,386	0.91	7,843	115	69,591	1.26	1 0 4	2.13				
Manure ..	874,679	11.62	65,356	75	475,090	8.20	0 10 11	1.74	991,119	13.18	68,434	69	499,763	9.08	0 10 1	1.75				
	1,150,215	15.28	93,081	81	881,071	15.20	0 15 4	2.27	1,234,365	16.43	92,504	75	855,774	15.55	0 13 11	2.22				
Miscellaneous ..	1,596,005	21.18	104,691	66	1,495,963	25.82	0 18 9	3.43	1,499,240	19.94	93,231	63	1,347,949	24.49	0 18 0	3.47				
Totals ..	7,539,012	100.00	574,485	76	5,794,688	100.0	0 15 4	2.43	7,516,049	100.00	561,121	75	5,500,576	100.00	0 14 8	2.35				

STATEMENT No. 20.

STATEMENT SHOWING MILEAGE, CAPITAL COST, TRAFFIC, OPERATING REVENUE, AND OPERATING EXPENDITURE OF
NEW ZEALAND GOVERNMENT RAILWAYS FROM 1ST APRIL, 1925, TO 31ST MARCH, 1939.

MILEAGE, CAPITAL COST, TRAFFIC, AND REVENUE.

Year.	Miles.	Capital Cost.	Train-mileage.	Passenger Journeys.	Passenger Revenue.	Other Coaching Revenue.	Cattle and Calves.	Sheep and Pigs.	Timber.
	No.	£	No.	No.	£	£	No.	No.	Tons.
1925-1926 ..	3,138	45,794,199	10,319,407	27,653,414	2,537,047	409,207	391,649	8,209,965	770,654
1926-1927 ..	3,164	47,195,948	10,723,864	26,002,137	2,304,180	377,367	301,062	8,902,511	663,442
1927-1928 ..	3,180	49,014,832	10,838,594	25,379,665	2,145,296	379,933	459,742	9,299,715	570,558
1928-1929 ..	3,287	54,210,139	11,113,482	25,574,843	2,124,746	378,141	634,394	9,685,374	568,026
1929-1930 ..	3,287	55,347,541	12,022,043	25,413,621	1,995,927	386,792	695,060	10,271,544	574,080
1930-1931 ..	3,322	58,076,236	11,281,898	22,813,708	1,778,725	359,276	729,567	10,279,407	403,095
1931-1932 ..	3,315	49,661,930	10,168,720	19,151,480	1,339,589	316,245	685,649	10,685,464	253,534
1932-1933 ..	3,315	49,744,744	9,828,853	18,366,654	1,207,296	283,822	687,027	10,550,860	253,633
1933-1934 ..	3,320	52,173,142	10,163,474	19,047,186	1,336,334	281,889	918,111	10,240,258	301,222
1934-1935 ..	3,320	52,352,985	10,626,400	19,654,467	1,368,688	292,096	821,015	10,909,065	368,417
1935-1936 ..	3,320	52,462,587	11,050,376	20,358,524	1,466,617	299,964	1,124,340	9,801,356	420,799
1936-1937 ..	3,320	52,905,965	11,868,083	21,235,428	1,611,305	305,526	1,130,722	10,325,490	452,375
1937-1938 ..	3,323	54,205,496	12,777,852	22,441,212	1,698,021	318,457	1,243,615	11,101,056	490,207
1938-1939 ..	3,319	56,413,304	13,072,615	23,265,768	1,785,646	334,170	1,165,560	10,102,345	501,644

Year.	Goods.	Total.	Goods Revenue.	Miscellaneous Revenue, Labour, Demurrage, &c.	Total Revenue.	Revenue per Train-mile.
	Tons.	Tons.	£	£	£	d.
1925-1926 ..	6,028,959	6,799,613	4,499,160	143,861	7,589,274	176.51
1926-1927 ..	6,161,706	6,825,148	4,596,166	145,759	7,423,472	166.14
1927-1928 ..	6,276,525	6,847,083	4,680,135	138,481	7,343,845	162.62
1928-1929 ..	6,509,978	7,078,004	4,846,125	175,852	7,524,864	162.50
1929-1930 ..	6,649,114	7,223,194	4,904,324	186,949	7,473,993	149.21
1930-1931 ..	5,998,562	6,401,657	4,487,357	156,029	6,781,388	144.26
1931-1932 ..	5,018,719	5,272,253	4,019,600	113,531	5,788,965	136.63
1932-1933 ..	4,691,959	4,945,592	3,745,777	102,180	5,339,075	130.37
1933-1934 ..	4,792,174	5,093,396	3,911,245	99,867	5,628,835	132.92
1934-1935 ..	5,076,560	5,444,977	4,138,434	108,846	5,908,064	133.44
1935-1936 ..	5,197,678	5,618,477	4,359,750	117,188	6,243,519	135.60
1936-1937 ..	5,760,532	6,212,907	4,846,417	140,356	6,903,604	139.61
1937-1938 ..	6,357,767	6,847,974	5,411,297	164,050	7,591,825	142.59
1938-1939 ..	6,415,613	6,917,257	5,694,936	190,308	8,005,059	146.96

EXPENDITURE.

Year.	Maintenance of Way and Works.			Maintenance of Signals and Electrical Appliances.			Maintenance of Locomotives, Carriages, and Wagons.		
	Amount.	Per Cent. of Revenue.	Per Mile of Railway.	Amount.	Per Cent. of Revenue.	Per Mile of Railway.	Amount.	Per Cent. of Revenue.	Per Train-mile.
	£		£	£		£	£		d.
1925-1926 ..	1,144,385	15.08	368.80	105,064	1.38	33.86	1,311,317	17.28	30.50
1926-1927 ..	1,074,334	14.47	340.30	100,861	1.36	31.95	1,303,444	17.56	29.17
1927-1928 ..	1,147,067	15.62	360.94	102,871	1.40	32.37	1,380,727	18.80	30.57
1928-1929 ..	1,111,229	14.77	341.50	112,206	1.49	34.48	1,424,165	18.93	30.76
1929-1930 ..	1,146,014	15.33	352.19	117,577	1.57	36.13	1,680,919	22.49	33.55
1930-1931 ..	1,150,329	16.97	348.27	104,464	1.54	31.63	1,502,698	22.16	31.97
1931-1932 ..	997,629	17.23	300.94	107,584	1.86	32.45	1,270,585	21.94	29.99
1932-1933 ..	931,273	17.44	280.93	105,586	1.98	31.85	1,188,474	22.26	29.02
1933-1934 ..	993,207	17.65	299.16	110,298	1.96	33.22	1,220,102	21.67	28.81
1934-1935 ..	1,047,825	17.74	315.61	137,477	2.33	41.41	1,236,324	20.93	27.92
1935-1936 ..	1,070,085	17.14	322.31	147,442	2.36	44.41	1,406,685	22.53	30.55
1936-1937 ..	1,171,963	16.98	353.00	154,108	2.23	46.42	1,565,083	22.67	31.65
1937-1938 ..	1,278,980	16.85	384.89	178,892	2.36	53.83	1,792,562	23.61	33.67
1938-1939 ..	1,375,829	17.19	414.53	186,546	2.33	56.21	1,832,615	22.89	33.64

Year.	Locomotive Transportation.			Traffic Transportation.			General Charges.			Total Expenditure.	Expenditure per Train-mile.	Expenditure per Cent. of Revenue.
	Amount.	Per Cent. of Revenue.	Per Train-mile.	Amount.	Per Cent. of Revenue.	Per Train-mile.	Amount.	Per Cent. of Revenue.	Per Train-mile.			
	£		d.	£		d.	£		d.	£	d.	
1925-1926 ..	1,636,620	21.56	38.06	1,743,641	22.98	40.55	223,543	2.94	5.20	6,164,570	143.37	81.23
1926-1927 ..	1,669,352	22.49	37.36	1,752,998	23.61	39.23	257,294	3.47	5.76	6,158,283	137.82	82.96
1927-1928 ..	1,662,074	22.63	36.80	1,760,459	23.97	38.98	248,921	3.39	5.51	6,302,119	139.55	85.81
1928-1929 ..	1,650,793	21.94	35.65	1,825,965	24.26	39.43	250,221	3.32	5.40	6,374,579	137.66	84.71
1929-1930 ..	1,755,208	23.49	35.03	1,883,918	25.21	37.61	264,389	3.54	5.28	6,848,026	136.71	91.62
1930-1931 ..	1,594,672	23.53	33.92	1,798,490	26.52	38.26	255,490	3.76	5.43	6,406,143	136.28	94.47
1931-1932 ..	1,254,770	21.67	29.61	1,424,520	24.60	33.62	246,565	4.26	5.82	5,301,653	125.13	91.56
1932-1933 ..	1,114,801	20.88	27.22	1,255,280	23.51	30.65	238,340	4.47	5.82	4,833,754	118.03	90.54
1933-1934 ..	1,064,827	18.92	25.14	1,253,833	22.28	29.61	234,879	4.17	5.55	4,877,146	115.17	86.65
1934-1935 ..	1,127,160	19.08	25.46	1,360,928	23.04	30.74	228,874	3.87	5.17	5,138,588	116.06	86.99
1935-1936 ..	1,201,636	19.25	26.10	1,465,052	23.46	31.82	232,293	3.72	5.05	5,523,193	119.96	88.46
1936-1937 ..	1,412,177	20.45	28.56	1,797,058	26.03	36.34	237,996	3.45	4.81	6,338,385	128.18	91.81
1937-1938 ..	1,703,110	22.43	31.99	2,090,471	27.54	39.26	247,770	3.26	4.65	7,291,785	136.95	96.05
1938-1939 ..	1,812,857	22.65	33.28	2,208,310	27.59	40.54	247,475	3.09	4.54	7,663,632	140.70	95.73

STATEMENT NO. 21.
COMPARATIVE STATEMENT OF THE NUMBER OF EMPLOYEES FOR YEARS 1938-39 AND 1937-38.

Branch.	Kaihu.	Gisborne.	North Island Main Line and Branches.	South Island Main Line and Branches.	Westport.	Nelson.	Picton.	Stores Branch.	Refreshment Service.	Advertising Service.	Road Service.	Total.
1938-39.												
General ..	1	4	792	183	4	3	4	579	529	45	441	2,585
Traffic ..	4	19	3,790	2,865	57	12	35	..	..	..	..	6,782
Maintenance ..	24	29	2,974	1,672	43	21	54	..	..	..	..	4,817
Locomotive ..	4	15	6,090	3,954	63*	10	22	..	..	..	..	10,158
Totals ..	33	67	13,646	8,674	167	46	115	579	529	45	441	24,342
1937-38.												
General ..	1	2	730	167	3	3	4	486	478	40	346	2,260
Traffic ..	4	12	3,391	2,797	58	12	34	..	..	..	..	6,308
Maintenance ..	9	24	2,737	1,510	38	21	27	..	..	..	..	4,426
Locomotive ..	4	12	5,372	3,480	57*	11	24	..	..	..	..	8,960
Totals ..	18	50	12,290	7,954	156	47	89	486	478	40	346	21,954

* Workshops staff only. Westport locomotive-running staff are included in South Island Main Line and Branches.

STATEMENT NO. 22.
STATEMENT OF ACCIDENTS FOR THE YEAR ENDED 31ST MARCH, 1939.

Section.	Train Accidents.			Accidents on Line (other than Train Accidents).				Shunting Accidents.			Employees proceeding to or from Duty within the Railway Boundary.		Persons killed or injured at Crossings.		Total.	
	Passengers.		Employees.	Passengers.		Employees.	Other Persons.	Passengers.		Employees.	Killed.		Killed.		Killed.	
	Killed.	Injured.	Killed.	Killed.	Injured.	Killed.	Injured.	Killed.	Injured.	Killed.	Injured.	Injured.	Killed.	Injured.	Killed.	Injured.
Kaihu ..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..
Gisborne ..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..
North Island Main Line and Branches ..	1	20	3	..	8	..	..	..	..	..	..	..	..	..	..	1
South Island Main Line and Branches ..	..	3	..	..	9	..	..	..	..	..	..	..	..	..	..	167
Westport ..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	100
Nelson ..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	3
Picton ..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..
Totals ..	1	23	3	1	17	2	22	4	4	1	125	1	19	71	39	274

NOTE.—This return includes only casualties in connection with train-working and the movement of rolling-stock.

STATEMENT No. 23.

STATEMENT OF CARRIAGE, RAIL-CAR, MULTIPLE UNIT, BRAKE-VAN AND WAGON STOCK, AND
TARPAULINS, FOR THE YEAR ENDED 31ST MARCH, 1939.

Description.	Class.	Kalim.	North Island Main Line and Branches.	Gisborne.	South Island Main Line and Branches.	Westport.	Nelson.	Picton.	Total.
CARRIAGES—									
First class .. .. .	..	..	126	..	107	..	..	3	236
Second class .. .. .	..	2	522	..	353	10	7	4	898
Composite .. .. .	..	..	191	6	115	..	7	5	324
Sleeping .. .. .	..	..	13	..	..	..	..	..	13
Combination day-sleeping .. .. .	..	..	13	..	5	..	..	..	18
Totals .. .. .	..	2	865	6	580	10	14	12	1,489
RAIL-CARS .. .. .	..	..	13	..	2	..	..	..	15
MULTIPLE UNITS—									
Power units .. .. .	..	..	6	..	..	..	..	..	6
Trailers .. .. .	..	..	6	..	..	..	..	..	6
Totals .. .. .	..	..	12	..	..	..	..	..	12
VANS—									
Postal vans .. .. .	..	..	7	..	4	..	..	..	11
Brake-vans .. .. .	..	2	260	4	193	7	3	4	473
Totals .. .. .	..	2	267	4	197	7	3	4	484
WAGONS—									
Special-purpose wagons	E	..	825	..	269	..	..	..	1,094
Horse-boxes	G	..	71	1	73	1	1	4	151
Cattle	H	..	421	4	196	4	4	8	637
Sheep	J	..	1,383	38	1,174	..	11	43	2,649
Covered goods	K	1	263	2	155	5	6	3	435
Sleeping-vans	K	..	14	..	15	1	1	..	31
High sides	L	4	3,237	32	3,589	12	83	137	7,094
High sides	LA	..	4,326	..	3,416	..	..	..	7,742
High sides	LB	..	271	14	518	5	20	37	865
Low sides	M	12	494	31	851	24	14	37	1,463
Work-train hopper	M	..	..	..	33	..	..	..	33
Low sides, steel	MA	..	129	12	..	..	..	..	141
Low sides	MB	..	7	12	17	..	..	1	37
Timber	N	39	101	..	126	32	8	12	318
Iron hopper	O	..	9	..	..	..	..	..	9
Iron hopper, for ballast	OB	..	9	..	..	..	..	..	9
Platform, coal	P	..	196	..	..	..	..	..	196
Petrol inspection	PW	..	..	..	1	..	..	..	1
Moveable hopper	Q	..	..	..	486	723	..	..	1,209
Frozen meat	W	..	224	..	56	..	..	..	280
Frozen meat	WA	..	233	3	34	..	18	..	288
Covered goods	X	..	133	..	16	..	..	..	149
Cool, ventilated	XA	3	349	..	439	1	..	7	799
Cool, ventilated	XB	..	59	..	33	..	..	..	92
Work-train	Y	..	64	..	17	..	..	10	91
Work-train	YB	..	259	..	138	..	..	9	406
Special-purpose wagons, bogie	E	2	47	1	27	..	..	1	78
High sides, bogie	R	2	199	..	81	..	..	..	282
High sides, bogie	RB	..	69	..	26	..	..	..	95
High sides, bogie	RD	..	3	..	..	..	..	..	3
High sides, bogie	RN	..	19	..	..	..	..	..	19
Sheep, bogie	S	..	35	..	37	..	..	..	72
Cattle, bogie	T	..	33	..	20	..	..	..	53
Platform, bogie	U	..	201	39	108	4	4	10	366
Gas-storeholder, bogie	UA	..	10	..	4	..	..	..	14
Platform, bogie	UB	..	157	..	257	..	..	..	414
Fuel oil, bogie	UC	..	..	..	1	..	..	..	1
Horse-boxes, bogie	UG	..	54	..	55	..	..	..	109
Frozen meat, bogie	V	..	52	..	66	..	..	..	118
Chilled beef, bogie	V	..	6	..	..	..	..	..	6
Frozen meat, bogie	VB	..	137	..	85	..	..	..	222
Chilled beef, bogie	VB	..	67	..	..	..	..	..	67
Covered goods, bogie	Z	..	69	..	44	..	..	..	113
Covered goods, bogie	ZP	..	76	..	74	..	..	..	150
Totals .. .. .	..	63	14,311	189	12,537	812	170	319	28,401
TARPAULINS .. .. .	..	28	12,168	113	11,345	52	145	287	24,138

STATEMENT No. 24.

LOCOMOTIVE STOCK FOR YEAR ENDED 31st MARCH, 1939.

Class.	Type.	Number superheated.	Number Thermic Syphons.	Kaihu.	North Island Main Line and Branches.	Gisborne.	South Island Main Line and Branches.	Westport.	Nelson.	Picton.	Total.
A	Tender (4-cyl. balanced compound) ..	57	10	..	18	..	39	..	..	..	57
A	Tender (No. 409, simple) ..	1	..	..	..	..	1	..	..	..	1
AA	Tender	10	..	..	10	..	..	..	..	..	10
AB	Tender	141	2	..	87	..	54	..	..	..	141
B	Tender	8	1	..	..	..	8	..	..	..	8
BA	Tender	10	1	..	..	..	10	..	..	..	10
BB	Tender	30	..	..	30	..	..	..	..	..	30
C	Tender (shunting) ..	24	..	..	12	..	12	..	..	..	24
EB	Electric (battery, shunting, workshops)	..	..	..	2	..	3	..	..	..	5
EC	Electric .. .. .	..	..	..	..	..	6	..	..	..	6
ED	Electric .. .. .	..	..	..	1	..	..	..	..	..	1
EO	Electric .. .. .	..	..	..	..	..	5	..	..	..	5
F	Tank .. .. .	..	..	2	..	..	19	..	..	..	21
FA	Tank .. .. .	..	..	..	..	..	1	2	..	..	3
G	Tender	6	..	..	..	..	6	..	..	..	6
H	Tank (Fell) .. .. .	..	..	..	6	..	..	..	..	..	6
K	Tender	30	..	..	30	..	..	..	..	..	30
L	Tank .. .. .	..	..	..	1	..	..	..	..	..	1
Q	Tender	13	1	..	..	..	13	..	..	..	13
U	Tender	9	..	..	..	..	9	..	..	..	9
UB	Tender	7	..	..	..	..	7	..	..	..	7
UC	Tender	7	..	..	..	..	7	..	..	..	7
W	Tank .. .. .	..	..	..	..	..	2	..	..	..	2
WA	Tank .. .. .	..	..	..	..	5	3	..	..	..	8
WAB	Tank	30	..	..	20	..	10	..	..	..	30
WB	Tank .. .. .	..	..	..	..	..	..	4	..	..	4
WE	Tank	2	..	..	..	..	2	..	..	..	2
WF	Tank	16	..	..	11	..	17	..	4	5	37
WG	Tank	8	..	..	18	2	..	..	..	..	20
WW	Tank	50	..	..	47	..	..	3	..	..	50
X	Tender (4-cyl. balanced compound) ..	17	10	..	18	..	..	..	..	..	18
	Totals	476	25	2	311	7	234	9	4	5	572

STATEMENT NO. 25.

ALL SECTIONS.

LOCOMOTIVE RUNNING COSTS, YEAR ENDED 31ST MARCH, 1939.

Section.	Number of Locomotives.	Locomotive-mileage.				Quantity of Stores.				Cost.				Section.		
		Details.			Average Mileage per Locomotive.	Running.		Repairs.	Running.			Total.				
		Train.	Shunting, Assisting, Light, and Miscellaneous.			Coal.	Oil.		Stores.	Fuel.	Wages.					
			Total.													
N.I.M.L. and branches	308	8,143,907	2,504,835	10,648,742	34.574	6,517,447	452,664	Quarts.	£	20,985	532,879	404,419	£	1,309,037	N.I.M.L. and branches.	
S.I.M.L. and branches	220	4,266,648	1,725,621	5,992,269	27.238	3,020,533	255,493		£	12,459	191,026	233,904	£	657,109	S.I.M.L. and branches.	
Kaihu ..	2	13,488	2,534	16,022	8.011	6,026	541		£	25	731	877	£	1,920	Kaihu.	
Gisborne ..	6	59,775	11,956	71,731	11.955	41,627	3,921		£	157	5,731	2,773	£	10,634	Gisborne.	
Westport ..	9	70,124	50,037	120,161	13.351	57,377	5,090		£	297	3,219	5,845	£	13,942	Westport.	
Nelson ..	5	39,218	10,502	49,720	9.944	18,735	1,854		£	79	2,158	1,865	£	5,377	Nelson.	
Pictou ..	6	50,803	28,167	78,970	13.162	26,711	3,373		£	145	3,242	3,479	£	9,581	Pictou.	
Total steam	556	12,643,963	4,333,652	16,977,615	30.535	9,688,456	722,936		£	34,147	738,986	653,162	£	2,007,600		
Electric locos., Eo. 2-6	5	49,146	61,654	110,800	22.160	1,998,670	4,120		£	153	16,592	2,289	£	32,287	Electric locos., Eo. 2-6.	
Electric locos., Ec. 7-12	6	117,618	24,041	141,659	23.610	2,297,170	2,233		£	198	4,799	3,063	£	11,919	Electric locos., Ec. 7-12.	
Electric locos., E.D. 101	1	388	208	596	596	311	1		£	6	9	51	£	371	Electric locos., E.D. 101	
Multiple units, D.M. 1-6	6	184,029	14,170	198,199	33.033	764,287	45		£	257	2,083	2,785	£	9,721	Multiple units, D.M. 1-6.	
Petrol rail-cars ..	7	207,786	7,530	215,316	30.759	35,771	3,332		£	235	374	1,977	£	4,627	Petrol rail-cars.	
Diesel rail cars ..	8	169,055	4,559	173,614	21.702	11,462	3,303		£	34,996	766,408	667,801	£	2,078,244	Diesel rail-cars.	
Grand total	589	13,371,985	4,445,814	17,817,799	30.251	..	735,970		£	609,039	766,408	667,801	£	2,078,244		
Section.		Cost per Locomotive-mile.				Water.	Cost per Locomotive-mile.			Total Cost.	Days in Steam.	Average Number of Days in Steam per Locomotive.	Section.			
		Running.					Depreciation.	General Charges.	Total Cost per Locomotive-mile.							
		Repairs.	Wages, Material, and Overhead.	Stores.	Fuel.									Wages.		
		d.	d.	d.	d.	£	£	£	d.	d.	d.	d.	d.	d.	d.	d.
		7.90	0.47	12.02	9.11	29.50	74,358	144,394	1.67	0.40	0.37	3.26	1,561,828	35.20	264	N.I.M.L. and branches
		8.80	0.50	7.65	9.37	26.32	44,103	84,977	1.77	0.27	0.40	3.40	802,915	32.16	238	S.I.M.L. and branches
		4.30	0.37	10.95	13.14	28.76	34	174	0.51	0.91	..	2.61	2,189	32.79	150	Kaihu.
		6.60	0.53	19.17	9.28	35.58	279	910	0.93	0.48	..	3.04	11,965	40.03	124	Gisborne.
		9.15	0.59	6.43	11.68	27.85	499	101	1.00	0.20	..	4.48	16,788	33.53	198	Westport.
		6.15	0.38	10.42	9.00	25.95	227	341	1.10	0.24	..	1.65	5,995	28.94	102	Nelson.
		8.25	0.44	9.85	10.58	29.12	569	983	1.73	0.21	..	2.98	11,202	34.04	159	Pictou.
		8.22	0.48	10.45	9.23	28.38	120,069	234,025	1.70	0.35	0.37	3.31	2,412,882	34.11	248	Total steam
		28.71	0.33	35.94	4.96	69.94	2,288	978	4.95	2.12	35,553	77.01	262	Electric locos., Eo. 2-6
6.54	0.34	8.12	5.19	20.19	1,845	684	3.13	..	..	1.16	14,448	24.48	217	Electric locos., Ec. 7-12	
125.24	..	3.62	20.54	149.40	..	..	..	..	..	..	371	149.40	22	Electric locos., E.D. 101	
4.44	0.01	4.32	5.42	14.19	2,359	..	2.85	..	2.21	2.21	15,899	19.25	218	Multiple units		
5.13	0.29	2.32	3.10	10.84	5,859	471	6.53	..	0.52	0.52	16,051	17.89	242	Petrol rail-cars		
2.82	0.32	0.52	2.73	6.39	1,733	..	2.40	..	..	..	6,360	8.79	653	Diesel rail-cars	
..	..	..	..	..	567	..	..	..	..	..	567	..	..	Steam rail-car	

STATEMENT No. 25—continued.
PERFORMANCES OF LOCOMOTIVES FOR THE YEAR ENDED 31ST MARCH, 1939.

Type.	Number of Locomotives.	Locomotive-mileage.			Average Mileage per Locomotive.	Quantity of Stores.		Cost.				Cost per Locomotive-mile.				Days in Steam.	Average Number of Days in Steam per Locomotive.	Type.		
		Details.				Running.		Repairs.	Running.			Repairs.	Running.							
		Train.	Shunting, Assisting, Light, and Miscellaneous.	Total.		Coal.	Oil.		Total.	Stores.	Fuel.		Wages.	Stores.	Fuel.				Wages.	Total.
A	18	487,713	119,772	607,485	33,749	328,091	Quarts.	£	£	£	£	£	d.	d.	d.	d.	267	A.		
AA	10	296,191	68,169	364,360	36,436	266,097	16,534	11,690	1,306	29,931	21,926	64,853	4.62	0.52	11.82	8.66	25.62	267	AA.	
AB	87	3,665,611	558,684	4,224,295	48,555	2,278,623	157,553	114,971	7,479	183,505	129,026	41,666	7.37	0.49	10.20	9.38	27.44	265	AB.	
BB	30	328,732	395,214	723,946	24,132	475,032	37,206	23,460	1,649	31,798	41,577	434,981	6.53	0.42	10.43	7.33	24.71	24,790	BB.	
C	12	2,631	220,561	223,192	18,599	170,688	8,042	13,583	399	14,239	16,018	98,484	7.78	0.55	10.54	13.78	32.65	267	BB.	
H	6	12,477	27,956	40,433	6,739	47,126	5,320	9,548	222	5,411	4,852	44,239	14.61	0.43	15.31	17.22	47.57	2,938	C.	
K	30	1,478,150	102,874	1,581,024	52,701	1,182,096	58,631	56,500	2,774	109,161	45,622	20,033	56.67	1.32	32.12	28.80	118.91	1,242	H.	
L	1	8,639	5,416	14,055	14,055	3,591	148	..	..	412	555	214,057	8.58	0.42	16.56	6.93	32.49	8,505	K.
WAB	20	588,543	131,308	719,851	35,993	462,115	29,743	24,520	1,386	31,894	26,062	83,862	8.18	0.46	10.63	8.69	27.96	298	L.	
WF	11	29,204	123,337	152,541	13,867	84,179	7,377	6,592	371	7,858	9,664	24,485	10.37	0.58	12.36	15.21	38.52	5,568	WAB.	
WG	18	79,474	275,738	355,212	19,734	218,092	16,718	13,775	767	16,116	22,416	53,074	9.31	0.52	10.89	15.14	35.86	2,073	WF.	
WW	47	666,719	415,249	1,081,968	23,021	600,420	47,752	47,549	2,214	51,910	51,215	152,888	10.55	0.49	11.51	11.36	33.91	4,455	WG.	
X	18	499,823	60,557	560,380	31,132	401,297	39,394	17,371	1,661	35,163	21,241	75,436	7.44	0.71	15.06	9.10	32.31	11,913	WW.	
Total steam	308	8,143,907	2,504,835	10,648,742	34,574	6,517,447	452,664	350,754	20,985	532,879	404,419	1,309,037	7.90	0.47	12.02	9.11	29.50	3,938	X.	
																		264	Total steam.	

NORTH ISLAND MAIN LINE AND BRANCHES.

STATEMENT NO. 25—continued.
PERFORMANCES OF LOCOMOTIVES FOR THE YEAR ENDED 31st MARCH, 1939—continued.

Type.	Number of Locomotives.	Locomotive-mileage.			Average Mileage per Locomotive.	Quantity of Stores.			Cost.				Cost per Locomotive-mile.				Days in Steam.	Average Number of Days in Steam per Locomotive.	Type.	
		Details.		Total.		Running.		Repairs.	Running.		Repairs.	Running.		Total.						
		Train.	Shunting, Assisting, Light, and Miscellaneous.			Coal.	Oil.		Wages, Material, and Overhead.	Stores.		Fuel.	Wages.		Stores.	Fuel.				Wages.
A	40	908,822	159,108	1,067,930	26,698	527,707	50,507	59,530	£	£	£	£	d.	0.54	7.42	8.13	d.	A.		
AB	54	1,980,958	385,286	2,366,244	43,819	1,170,244	93,485	66,227	4,540	74,851	70,690	216,308	d.	0.46	7.59	7.17	d.	AB.		
B	8	86,309	62,936	149,245	18,656	75,372	6,527	7,789	326	4,899	7,547	20,561	d.	0.52	7.88	12.14	d.	B.		
BA	10	61,070	152,863	213,933	21,393	131,702	10,800	12,052	502	7,993	13,281	33,828	d.	0.56	8.97	14.90	d.	BA.		
C	12	50,987	217,202	268,189	22,349	126,434	9,894	3,699	504	8,949	18,084	31,236	d.	0.45	8.01	16.18	d.	C.		
F	19	13,479	234,581	248,060	13,056	77,228	8,213	8,580	468	4,846	16,202	30,096	d.	0.45	4.69	15.68	d.	F.		
FA	1	16	6,799	6,815	6,815	2,493	258	1,250	14	156	519	1,939	d.	0.49	5.49	18.28	d.	FA.		
G	6	176,825	20,817	197,642	32,940	110,044	7,778	2,166	383	7,292	6,336	16,177	d.	0.47	8.85	7.69	d.	G.		
Q	13	185,463	64,735	250,198	19,246	142,567	13,064	6,857	598	8,818	10,817	27,090	d.	0.57	8.46	10.38	d.	Q.		
U	9	148,588	38,378	186,966	20,774	106,973	7,770	5,628	394	6,154	7,281	19,457	d.	0.51	7.90	9.35	d.	U.		
UB	7	58,904	53,826	112,730	16,104	50,369	4,757	3,852	236	3,324	5,917	13,329	d.	0.50	7.08	12.60	d.	UB.		
UC	7	148,705	31,643	180,348	25,764	87,236	5,764	4,542	315	5,507	6,492	16,856	d.	0.42	7.33	8.64	d.	UC.		
W	2	14,746	21,632	36,378	18,189	17,355	1,254	587	74	1,096	2,076	3,833	d.	0.49	7.23	13.70	d.	W.		
WA	3	15,200	29,684	44,884	14,961	21,303	1,575	1,155	91	1,347	2,670	5,263	d.	0.49	7.20	14.27	d.	WA.		
WAB	10	340,288	44,677	384,965	38,497	203,604	19,834	18,996	900	12,603	11,984	44,483	d.	0.56	7.86	7.47	d.	WAB.		
WE	2	23,272	10,432	33,704	16,852	22,636	1,566	1,710	73	1,428	1,923	5,134	d.	0.52	10.17	13.69	d.	WE.		
WF	17	53,016	191,022	244,038	14,355	147,266	12,447	15,100	632	8,765	15,904	40,401	d.	0.62	8.62	15.64	d.	WF.		
Total steam	220	4,266,648	1,725,621	5,992,269	27,238	3,020,533	255,493	219,720	12,459	191,026	233,904	657,109	d.	0.50	7.65	9.37	d.	Total steam.		

SOUTH ISLAND MAIN LINE AND BRANCHES.

STATEMENT NO. 25—continued.
PERFORMANCES OF LOCOMOTIVES FOR THE YEAR ENDED 31ST MARCH, 1939—continued.
SMALL SECTIONS.

Type.	Number of Locomotives.	Locomotive-mileage.			Quantity of Stores.			Cost.			Cost per Locomotive-mile.						Days in Steam.	Average Number of Days in Steam per Locomotive.	Type.	
		Details.			Average Mileage per Locomotive.	Running.		Repairs.	Running.		Running.		Repairs.	Running.		Total.				
		Train.	Shunting, Assisting, Light, and Miscellaneous.	Total.		Coal.	Oil.		Stores.	Fuel.	Wages.	Stores.		Fuel.	Wages.					
																				Quarts.
KAIHU SECTION.																				
F ..	2	13,488	2,534	16,022	8,011	6,026	541	£ 287	£ 25	£ 731	£ 877	£ 1,920	d. 4.30	d. 0.37	d. 10.95	d. 13.14	d. 28.76	300	150	F.
GISBORNE SECTION.																				
WA ..	4	29,835	5,786	35,621	8,905	17,436	1,805	1,487	73	2,399	1,323	5,282	10.02	0.49	16.16	8.92	35.59	381	95	WA.
WG ..	2	29,940	6,170	36,110	18,055	24,191	2,116	486	84	3,332	1,450	5,352	3.23	0.56	22.14	9.64	35.57	363	182	WG.
Total	6	59,775	11,956	71,731	11,955	41,627	3,921	1,973	157	5,731	2,773	10,634	6.60	0.53	19.17	9.28	35.58	744	124	Total.
WESTPORT SECTION.																				
FA ..	2	310	14,420	14,730	7,365	6,018	722	197	41	338	1,106	1,682	3.21	0.67	5.51	18.02	27.41	328	164	FA.
WB ..	4	23,899	27,311	51,210	12,803	25,114	2,074	1,862	125	1,410	2,771	6,168	8.73	0.59	6.61	12.98	28.91	793	198	WB.
WW ..	3	45,915	8,306	54,221	18,074	26,245	2,294	2,522	131	1,471	1,968	6,092	11.17	0.58	6.51	8.71	26.97	664	221	WW.
Total	9	70,124	50,037	120,161	13,351	57,377	5,090	4,581	297	3,219	5,845	13,942	9.15	0.59	6.43	11.68	27.85	1,785	198	Total.
NELSON SECTION.																				
FA ..	1	278	166	444	444	115	25	26	1	14	23	64	14.05	0.54	7.57	12.43	34.59	10	10	FA.
WF ..	4	38,940	10,336	49,276	12,319	18,620	1,829	1,249	78	2,144	1,842	5,313	6.08	0.38	10.44	8.98	25.88	502	126	WF.
Total	5	39,218	10,502	49,720	9,944	18,735	1,854	1,275	79	2,158	1,865	5,377	6.15	0.38	10.42	9.00	25.95	512	102	Total.
PICTON SECTION.																				
FA ..	1	385	43	428	428	117	13	194	1	14	20	229	108.79	0.56	7.85	11.21	128.41	7	7	FA.
WF ..	5	50,418	28,124	78,542	15,708	26,594	3,360	2,521	144	3,228	3,459	9,352	7.70	0.44	9.86	10.58	28.58	948	190	WF.
Total	6	50,803	28,167	78,970	13,162	26,711	3,373	2,715	145	3,242	3,479	9,581	8.25	0.44	9.85	10.58	29.12	955	159	Total.

Approximate Cost of Paper.—Preparation not given; printing (1,630 copies, including graph), £160.

NEW ZEALAND GOVERNMENT RAILWAYS.

