

Excellent time has been kept by the principal trains during the year, the record of late arrivals being as follows:—

	Average late arrival.	
	Mins.	Mins.
For long-distance passenger trains	0·80, against	1·18 last year.
For suburban trains	0·32,	0·57
For long-distance mixed trains	1·05,	1·25 "

The punctuality maintained compares more than favourably with any railway service in the world, and is eminently satisfactory in view of the fact that the figures include all delays arising from floods, slips, and all other causes.

The total number of ordinary passengers carried was 8,306,383, an increase of 730,993 over the previous year. Season tickets issued numbered 129,919, an increase of 11,488. The number of "workers' twelve-trip tickets" issued was 33,809, and of "workers' weekly tickets" available on suburban lines, 68,248. The sum of these two issues, 102,057, is equal to nearly 71 per cent. of the whole season-ticket business, but the revenue derivable from the two classes of workers' tickets is only 22 per cent. of the total season-ticket revenue.

Holiday excursion tickets issued numbered 695,384, an increase of 93,370 over the previous year. School, factory, and friendly societies' excursion tickets numbered 111,683, an increase of 22,540 over last year. The number of school, factory, and friendly societies' excursions run in the principal districts was: Auckland, 18; Wanganui, 53; Wellington-Napier, 37; Christchurch, 115; Dunedin, 101; Invercargill, 34.

The coaching and goods traffic has maintained that buoyancy which has been so remarkable during the past nine years, there being large increases under each of the various headings under which this traffic is grouped, sheep and wool alone excepted. These two latter show decreases. The increases under the head of "Coaching Traffic" have been: Parcels, 67,038; horses, 1,892; dogs, 2,614. And under "Live-stock and Goods Traffic": Cattle, 4,974 head; pigs, 8,424 head; chaff, lime, &c., 11,470 tons; firewood, 5,568 tons; timber, 73,704 tons; grain, 102,077 tons; merchandise, 24,459 tons; minerals, 139,897 tons. Grand total, 340,956 tons.

The decrease in sheep traffic was not unexpected in view of the abnormal increase (1,096,473 head) in the number carried in 1903 as compared with the previous year 1902. The severity of the weather in Canterbury and Otago during the last winter also caused heavy mortality among the flocks in those provinces, and otherwise seriously retarded the movements of the stock; but, notwithstanding the fact that the sheep traffic last year showed a falling-off of 64,955 head as compared with the previous year, the business cannot but be regarded as satisfactory, taking normal conditions as a basis. In 1902 the number of sheep carried was 2,724,860, and in 1904 3,756,378, an increase of 1,031,518 head in two years, or at the rate of 515,759 per annum, which is over 100,000 higher than the increase recorded in any previous year where normal conditions have prevailed. The decrease in wool amounted to 14,994 tons.

The Railway Workshops have been busily employed in building additional rolling-stock for use on the various sections. During the year the rolling-stock has been increased by 5 locomotives, 58 carriages, 18 brake-vans, 423 wagons, and 680 tarpaulins; and there were under construction at the close of the year 11 locomotives (exclusive of ten which are being built under contract by Messrs. Price, of Thames), 63 47½ ft. bogie cars, 15 bogie brake-vans, 158 bogie and 338 four-wheeled wagons, 225 tarpaulins, and two 5-ton steam travelling cranes.

The additions and improvements to rolling-stock made during the year have increased the tractive power by 2·08 per cent., passenger seating-accommodation by 10·45 per cent., and wagon carrying-capacity by 4 per cent.

On the 31st March, 1900, when I had the honour of delivering my first Railway Statement, the rolling-stock consisted of 304 locomotives, with a tractive power of 2,407,279 lb.; 577 passenger cars, giving seating-accommodation for 22,090 passengers; 220 brake-vans, 9,527 four-wheeled and 548 bogie trucks, with a carrying-capacity of 63,778 tons. On the 31st March, 1904, it consisted of 377 locomotives, with a tractive power of 3,572,346 lb.; 809 passenger carriages, providing seating-accommodation for 31,858 passengers; 301 brake-vans, 12,372 four-wheeled and 760 bogie trucks, with a carrying-capacity of 92,533 tons. The additions to the stock during the past four years have therefore been 73 locomotives, tractive power 1,165,067 lb.; 232 passenger