On the 25th November a goods-train was derailed by a slip near Mangaweka. Passengers had to be transferred over the obstruction for the two following days.

The line between Mataroa and Ngaurukehu was blocked by a slip from the 5th to the 7th

On the 9th December a derailment occurred on the line near Hibitahi, owing to a slip. Passengers had to be transferred over the obstruction.

From the 15th to the 22nd January, 1919, traffic was interrupted on the Lawrence Branch by washouts.

On the 17th, 18th, 21st, 28th, and 29th January the line was blocked by slips near Mokibinui, on the Westport Section.

From the 28th January to the 5th February traffic in Otago District, on the main line and

on the Otago Central, Outram, and Kurow Branches, was affected by floods.

The following figures, which give the record of the late arrival of the principal trains during the year, indicate that, despite the difficulties experienced in connection with slips and other unforeseen circumstances, the trains have, as a whole, run well up to time:-

			Average Late Arrival.			
			$_{ m Min.}$	•	Min.	
Long-distance passenger-trains			2.94 ag	gainst	3·14 la	st year.
Suburban trains			0.53	,,	0.62	,,
Long-distance mixed trains	• • •	• • • •	4.67	,,	4.34	,,

The number of ordinary passengers carried during the year was 11,374,521, a decrease of 33,635 on the previous year's business. Season tickets issued numbered 351,124, an increase Workers' twelve-trip tickets numbered 74,272, and workers' weekly tickets issued on suburban lines 214,154, an increase over the preceding year of 16,143 twelve-trip and 9,015 workers' weekly tickets. The decrease in the number of ordinary passengers is, in the main, attributable to the reduction of overseas passenger business through restrictions in movement of shipping, the cancellation of excursion fares, the curtailment of travelling facilities for nonessential purposes during a considerable portion of the year, the influenza epidemic, and the reduction in military forces consequent on the cessation of hostilities, and the closing of the military camps at Featherston and Trentham. There is, however, a notable increase in the number of weekly tickets which have been taken out, and this may be regarded as an indication of the desire of those who have been compelled by war conditions to temporarily leave the suburbs to resume residence outside the crowded area, and no doubt a considerable expansion of suburban traffic will take place when it is found practicable to remove restrictions and increase the train services.

The goods and live-stock tonnage was 5,611,738, a decrease of 131,230 when compared with last year. The decreases are as follow:-

Cattle	 	 	15,590 head.
Pigs	 	 	22,001 ,
Timber	 	 	36,055 tons
Minerals	 	 	128,569 ,,

The decrease in cattle is principally attributable to the opening of additional freezing-works in the North Island, and to unfavourable weather and market conditions in the South Island. The decrease in pig traffic is almost wholly confined to the North Island. The amalgamation of the principal pig-buying companies and the absence of former keen competitive buying have diverted the pigs to the local factories. Sheep traffic increased by 346,556 head in the South, and decreased by 134,885 in the North Island, leaving a net increase of 211,671 head, principally in Canterbury District, where there was an earlier movement of fat stock for freezing. A large number of sheep were also railed from the high levels owing to a heavy snowfall. There was, in addition, an extensive movement of sheep from Southland to Canterbury to replenish flocks depleted by the severe weather.

The decrease of 36,055 tons in the quantity of timber carried is attributable largely to scarcity of labour and shipping-space. The output of the mills was also considerably interfered

with by the influenza epidemic.

The mineral traffic was again adversely affected by labour difficulties at the coal-mines, dearth of shipping for both local and imported coal, and by the restriction of roadwork by local bodies, resulting in a reduced output of shingle and broken metal. The influenza epidemic, combined with other causes referred to, was responsible for a considerably decreased production from the mines, and has induced a very acute shortage of coal for domestic and manufacturing purposes throughout the Dominion.

The traffic included under the heading "Other goods" increased by 29,945 tons. This increase is due to a very favourable grain season having been experienced in Canterbury and

Otago, and the arrival of overseas vessels during the latter part of the financial year.

The average number of men employed for the year under review was 12,391, against 13,002

for the previous year.

Thirty-four members of the Second Division were promoted to the First Division. Seven hundred and sixty members of the permanent staff resigned, fifty retired on superannuation, 249 died, eighty-seven were dismissed, and 628 engaged.

The sum of £13,205 was paid under the Workers' Compensation for Accidents Act during the

year to members who sustained injuries in the execution of their duty.

The additions made to the rolling-stock during the year consisted of one heavy tank engine, Class Ww, one bogie car, and 143 wagons, all of which were built in the Railway workshops. second-hand tank engines were sold and written off stock.