Passengers have increased in number 256,848.

Season tickets have increased in number 7,610, and in value £4,506. From passengers and

season tickets an increased revenue of £4,086 has been obtained.

Holiday-excursion fares, school excursions, and twelve-trip tickets must be credited with the increased number of passengers using the railways; at the same time, the low rates ruling for this class of business explains the small increase in revenue compared with the largely-increased volume of business.

289,675 holiday-excursion passengers travelled, yielding a revenue of £50,233. 69,547 scholars and teachers, and 38,467 parents and friends, travelled by the school excursions, yielding a revenue

of £7,246.

The goods traffic has increased by 39,407 tons, and the revenue from goods and live-stock by £14,388.

There are large increases in the number of sheep and pigs carried—viz., sheep 319,791, and

pigs 10,054.

Increase in chaff, lime, &c., 16,288 tons; minerals, 20,742 tons; timber, 14,554 tons; merchandise, 11,942 tons. Wool shows a decrease of 3,965 tons, in consequence of the severe winter. Grain also shows a decrease of 13,856 tons, probably due to farmers holding back for higher prices; and firewood a decrease of 6,298 tons, due to the increasing preference for coal.

Both the carriage and wagon accommodation have been taxed to the utmost to meet the increasing business, and I have found it necessary to apply for authority to increase the number of

engines, carriages, and wagons.

In regard to the expenditure: A sum of nearly £10,000 has been spent over and above the amount last year in the maintenance of the line. As stated in my last year's report, this item of expenditure will continue to increase for some years to come, until the lines have been renewed with heavier rails, sleepers replaced, and bridges rebuilt with more durable materials.

On the whole, therefore, the results of the past year's work are very encouraging, and there is

every indication that the current year will give still better results.

I desire to again place on record my appreciation of the services of the staff, which is efficient

and working satisfactorily.

I attach hereto the report of the Locomotive Superintendent, dealing with the performances of the engines and rolling-stock during the past year, as well as with the extensive operations which are carried on in the railway workshops. The report of the Chief Engineer for Working Railways is also attached, showing the condition of the lines and structures, and the improvements and additions effected to the open railways during the past year.

The Stores Manager's certificate as to the value and condition of stores on hand on 31st March,

1896, is also appended. I have, &c.

T. RONAYNE,

The Hon. the Minister for Railways.

General Manager.

APPENDIX B.

ANNUAL REPORT OF THE WORKING OF THE LOCOMOTIVE DEPARTMENT, 1895-96.

Sir,— Locomotive Superintendent's Office, Wellington, 22nd May, 1896.

I have the honour to report on the working of the Locomotive Department for the year ending 31st March, 1896:—

The locomotives, carriages, wagons, vans, cranes, tarpaulins, machinery, and general plant have been maintained in a thoroughly efficient condition, and in many cases considerable improve-

ment has been effected.

The various improvements that have been effected to locomotives and rolling-stock generally continue to show good results. These have been applied generally during the year as required, with the result that, in some cases, stock is now all fitted with the standard appliances.

Another of the U class engine has been completed during the year, and this, together with the one previously built, has been doing excellent work in the Christchurch district. One of the Class N, American passenger-engines, has been rebuilt during the year to compound, and has been working express and mixed trains without intermission since January, 1896.

The rebuilt F and L engines are still giving good results, and more are much required of each

type.

The local trains at the large centres during busy seasons are getting too heavy for the Class

F engines.

Locomotive Repairs and Rebuilding.—One hundred and seventy-seven locomotives have passed through shops. Of these, one Class U has been erected new, one Class N rebuilt to compound, and two Class F rebuilt to Class FA, the tractive power in the latter case being largely increased. Nine new boilers have been made during the year, eight of these being for renewals.