

The passenger-traffic shows an increase of 232,877 passengers and 5,591 season tickets, the increased revenue derived therefrom being £23,270. 449,581 holiday excursionists have travelled, yielding a revenue of £80,822.

45,361 scholars and teachers, and 35,064 parents and friends, travelled by school and factory excursions, yielding a revenue of £5,570.

There has again been a large increase in the goods and live-stock traffic, viz., 149,440 tons. The revenue from goods and live-stock has increased by £63,426.

Cattle have increased in number, 8,357; calves, 669; and sheep, 392,485. Pigs have decreased 9,543. Chaff and lime traffic has increased by 16,684 tons; wool, 4,096 tons; firewood, 3,642 tons; timber, 55,248 tons; grain, 3,560 tons; merchandise, 49,593 tons; minerals, 16,616 tons.

The work of building new carriage- and wagon-stock is proceeding slowly. The department is not in a position to give the same quick despatch as was possible three years ago, the additions to rolling-stock not having kept pace with the expanding traffic.

The expenditure on maintenance still increases, £26,006 having been spent in excess of the amount for 1896-97. Advantage has been taken of the buoyant revenue to spend liberally in this direction.

Appended to this report are the usual returns, together with the reports of the Locomotive Superintendent, Chief Engineer, Stores Manager, and Traffic Managers of the principal districts.

I have, &c.,

T. RONAYNE,

General Manager.

To the Hon. the Minister for Railways.

APPENDIX B.

ANNUAL REPORT OF THE WORKING OF THE LOCOMOTIVE DEPARTMENT, 1897-98.

SIR,— Locomotive Superintendent's Office, Wellington, 17th May, 1898.

I have the honour to report on the working of the Locomotive Department for the year ending the 31st March, 1898.

The locomotives, carriages, wagons, vans, cranes, tarpaulins, machinery, and general plant have been maintained in an efficient condition, and various improvements have been effected to both locomotives and rolling-stock.

The following new locomotives and conversions were completed:—

Description.	How charged.
Two Class U locomotives (passenger type)	Working-expenses.
One Class Wa locomotive, to replace B 165 (Double Fairlie) condemned ...	"
One Class F locomotive converted to Fb	"
One Class L locomotive converted to La	"

The locomotive power has been most severely taxed.

The increased traffic necessitated additional train-services, and it became absolutely necessary to provide more locomotives. Ten were ordered from Great Britain. They are—six of the Class U type, and four of the Class B consolidation type.

Also, ten Class Wa locomotives were ordered from Great Britain. Of these, seven are to replace the Class E engines, which are rapidly becoming inefficient, and three are for the Wellington Section, to meet increased traffic demands.

The Wa locomotives are of a special type for heavy gradients and sharp curves.

I again desire to emphasize the opinion expressed in my last Annual Report, that the number of powerful locomotives should be considerably increased, and provision should be made for the permanent-way and structures to permit using more powerful locomotives than hitherto in use on these railways, but which obtain in other countries with the same gauge of railway.

I cannot too strongly urge the absolute necessity for fitting the engines and rolling-stock with an automatic continuous brake. The risks that are daily run, especially on the lines of railway with heavy gradients, should not be permitted to continue.

A patent compressed-oil-gas works has been erected at Auckland, and thirty-one cars have been fitted up for the use of compressed gas.

Twenty-four additional cars on the Hurunui-Bluff Section have been fitted for the use of compressed gas.

Pintsch's gas-fittings for 309 vehicles, and gas plants for Palmerston North, Wellington, and Christchurch have been ordered, a large portion of which has arrived.

The following table gives particulars of repairs, &c., to boilers for the year ending the 31st March, 1898:—

Year ending 31st March, 1898.	Number passed through Shops.	Built new.	Heavy Repairs.	Light Repairs.	New Tubes.	Tubes pieced.	New Barrels.	New Smoke-box Tube-plates.	New Copper Fire- boxes complete.	New Copper Tube-plates.	Boilers patched.
Boilers	137	12	61	64	24	26	1	5	5	6	52

Forty-one new boilers are in hand.