Leases .- At 31st March last there were 2,017 leases current, with a total annual rental of

£21,879. Leases issued during the year numbered 362. Staff.—The working staff was 2,707, and the office staff 91, making a total of 2,798 persons.

I append the usual returns.

I have, &c.,

The General Manager, New Zealand Railways.

JOHN COOM, M.Inst.C.E., Chief Engineer.

ANNUAL SIGNAL AND ELECTRICAL REPORT.

SIR. Wellington, 1st April, 1903. I have the honour to submit the following report on the signals, interlocking, and blockworking, also the telegraph and telephone facilities, of the New Zealand Government Railways for the year ending 31st March, 1903:-

Fixed Signals.

During the past year twenty stations have been fitted with fixed signals, and the whole, with the exception of two or three stations, have now been fitted with interlocking plates.

The expenditure for the year on new work was £854 15s. 11d., and for maintenance £726 15s.

Interlocking of Points and Signals.

The signalling and interlocking has worked with the most satisfactory results.

The following stations have been fully equipped during the year: Rolleston, Studholme, Dunedin (north end, temporary scheme), Cattle-yards, Green Island sidings, and Mosgiel. The work has also been commenced and is well in hand at Summit, Burke's, Kensington, Caversham, Balclutha, Invercargill.

The expenditure for the year on new work was £11,077 9s. 10d., and for maintenance

£539 5s. 6d.

Block-working.

The electric train-tablet system of block-working on the sections where installed has worked

with every satisfaction.

During the year forty-two tablet instruments and seventy-seven miles of line have been fitted up and brought into operation, embracing the following sections: Turakina to Longburn, Masterton to Featherston, and Addington to Rolleston.

The equipment of the sections from Palmerston North to Woodville, Wingatui to Ida Valley,

Invercargill to Winton, Makarewa to Riverton, and Greymouth to Ngahere is in progress.

The staff-and-ticket system of block-working has been adopted on the Hunterville Branch.

Telegraph and Telephone Facilities.

During the year 250 miles of wire has been erected and brought into use, embracing a new through Morse wire from Invercargill to Dunedin; also various alterations and additions have been made to improve existing lines.

Twenty-two additional Morse instruments and eighty-three telephones have been fixed and brought into operation; also twelve additional connections have been made with public telephone

exchanges and nine portable telephones brought into use.

Twenty-four old-pattern telephones have been replaced by new and more modern ones.

Greater facilities are still needed in some of the districts to suit the more pressing require-

The expenditure on electric block-working, telegraph and telephone facilities for the year was: New work, £11,250 16s. 10d.; and maintenance, £6,949 12s. 10d.

Electric Light.

The signals fitted with electric light, also the electric arc lamps at Wellington, continue to I have, &c., H. J. WYNNE, A.M.Inst.C.E. give every satisfaction.

The Chief Engineer, Wellington.

Signal and Electrical Engineer.

APPENDIX D.

Stores Manager's Office, Wellington, 12th May, 1903. SIR.-I have the honour to report that the value of stores (purchased under the Railway vote, on hand on 31st March, 1903, at the various depots amounted to £190,414 2s. 4d., as against £173,221 19s. 7d. on 31st March, 1902.

The value of stores on hand on account of additions to open lines amounted on 31st March, 1903, to £37,114 5s. 2d., as against £43,151 4s. 4d. on 31st March, 1902.

The stock is in good order, has been carefully and systematically inspected, and is value for the amounts stated. I have, &c., GEO. FELTON,

The General Manager, New Zealand Railways.

Stores Manager.