

virke (completion), Lyttelton, Christchurch (part), Kaiapoi (part), Templeton, Burke's, Forest Hill, Bluff, Invercargill, Riversdale, Gap Road, No Town Road.

New Dwellings and Additions to Dwellings: Frankton, Aramoho, Wanganui, Wellington (completion), Gore, Orepuki, Winton (part), Riversdale (completion), Otautau (completion).

Additions to Water-services: Te Awamutu, Te Kuiti (part), Matamata, Putaruru, Upper Hutt, Springfield, Milton (part).

Purchase of Land: Turakina, Hastings, Wellington, Oamaru (completion), Maheno.

Bridges: Lincoln (overbridge), Caversham, Riverton (part).

Additions to Engine-sheds: Auckland (part), Waipukurau, Invercargill (part).

Engine Turntables: Auckland, Springfield.

Lighting Station-yards: Auckland, Palmerston North, Dunedin, Invercargill, Bluff.

Furnaces for heating Foot-warmers: Christchurch, Dunedin, Invercargill, and Westland

Districts.

Sheds for Train-examining: Wanganui, Palmerston North (part), Wellington, Timaru.

Coaling-cranes: Frankton, Wanganui.

Miscellaneous: Appliances for maintenance shops, Eastown; providing access to beach, New Plymouth; new departmental offices, Wellington (part); cattle-yards, Upper Hutt; purchase of buildings from New Zealand Farmers' Co-operative Association, Christchurch; Westinghouse-brake shed, Addington; new station, Dunedin (part); iron-foundry, Hillside (completion); lightening rock slopes, Otago Central Railway; workshops, Invercargill; library, Invercargill; creosote-works Kew (completion); roads and level crossings, Gore; fencing, Westland Section; signals and interlocking; telegraphs and telephones; block-working; strengthening track and bridges (proportion); additional sleepers.

The cost, which has been charged to Capital Account, amounts to £117,224.

Expenditure.—The expenditure was £488,106, equal to £212 per mile, as against £457,757 and £202 respectively last year. The increase is partly due to purchase of materials for track-renewals.

Mileage.—The mileage open for traffic on the 31st March was 2,328 miles 41 chains. The length opened during the year was 37 miles 56 chains.

Private Sidings.—Thirteen new rights were granted, making the total at end of year 278, with an annual rental of £4,922.

Leases.—The total number of leases in force on the 31st March was 2,253, with an annual rental of £24,039. The number issued during the year was 408.

Staff.—The working staff consisted of 2,783 men; office staff, 97: or a total of 2,880 persons.

Fixed Signals.

During the past year sixteen stations have been fitted with fixed signals.

The whole of the fixed signals, where practicable, have now been fitted with interlocking-plates.

The expenditure for the year on new work was £890 5s. 6d., and for maintenance £1,071 6s. 7d.

Interlocking of Points and Signals.

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

The following stations have been fully equipped and brought into operation during the year: Burke's, Kensington, Caversham, Balclutha, Invercargill, Eyreton Junction, Kaitoke, Summit, and Auckland.

The work has also been commenced and is well in hand at Newmarket and Penrose, Auckland Section; Anderson's Bay Road tramway-crossing, Dunedin; and sidings between Lower Hutt and Hayward's, Wellington District.

The expenditure for the year on new work was £8,680 11s., and for maintenance £639 11s. 11d.

Block-working.

The electric train-tablet system of block-working has worked with every satisfaction.

During the year seventy-four tablet instruments and 187 miles of line have been fitted up and brought into operation, embracing the following sections: Invercargill to Winton, Makarewa to Riverton, Wingatui to Ida Valley, Addington to Rangiora, Palmerston to Woodville, Greymouth to Ngahere.

The equipment of the sections from Auckland to Mercer, Newmarket to Henderson, Penrose to Onehunga, and Westport to Granity is in progress.

The staff-and-ticket system of block-working has given satisfaction.

Telegraph and Telephone Facilities.

During the year 206 miles of wire has been erected and brought into use, also various alterations and additions have been made to improve existing lines.

The construction of a new line between Marton and Mangaonoho is in progress.

One additional Morse instrument and sixty-nine telephones have been fixed and brought into operation, also ten additional connections have been made with the public telephone exchanges, and three portable telephones brought into use.

Twenty-seven 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 requirements.

The expenditure on electric block-working, telegraph, and telephone facilities for the year was: New work, £9,029 10s. 7d.; and maintenance, £6,398 8s. 5d.

I attach the usual returns.