

Two self-propelling steam cranes were built and put into service. Two new crane boilers were under construction at the close of the year.

Axles.—During the year 1,068 car, van, and wagon axles were renewed with modern steel axles: this number is exclusive of the new stock built.

Westinghouse Brake.—Satisfactory progress has been made with the South Island contract for equipping with the Westinghouse brake all engines and rolling-stock on the Hurunui-Bluff Section. This contract was commenced in November, 1903, and it is expected to be practically completed during the current financial year.

In the North Island, on Auckland and Wellington-Napier-New Plymouth Sections, all engines and rolling-stock in service are equipped with the Westinghouse brake.

On the 31st March, 1905, in North Island, 163 locomotives, 361 carriages, 131 brake-vans, 4,333 wagons, and 6 travelling cranes; and in the South Island, 180 locomotives, 391 cars, 86 brake-vans, and 5,375 wagons had been equipped with the Westinghouse brake.

Car-lighting.—The oil and acetylene gas manufactured at the five separate Pintsch gasworks during the year for car-lighting amounted to 3,355,010 cubic feet, costing 2s. 10·4d. per 100 cubic feet.

All bogie cars and many of the bogie brake-vans running on the principal sections are now equipped and lighted with Pintsch gas.

Workshops.—Workshops plant and appliances have been augmented by additional buildings, machinery, and tools.

The use of "high-speed" tool-steel has been greatly extended, with the result that the output of many lathes, and other machine-tools, has been practically doubled.

Steamers.—The Railway Department's fleet of steamers on Lake Wakatipu has been overhauled during the year, and is now in an efficient state, many improvements having been made.

Train Running and Mileage.—There has again been a very large increase in train-mileage. As compared with 1903-4 the increase in 1904-5 is 421,680 train-miles, equal to 7·42 per cent., and 207,084 engine-miles, equal to 2·58 per cent.

The following table shows particulars of the expenditure per train-mile:—

Year.	Train-mileage.	Engine-mileage.	Cost in Pence, per Train-mile.		
			Locomotive Branch.	Car and Wagon Branch.	Total.
1904-5	6,107,079	8,221,786	16·73	4·32	21·05
1903-4	5,685,399	8,014,702	17·48	4·73	22·21

The usual returns are attached.

TRAFFIC.

Mr. H. Buxton, Chief Traffic Manager, reports as follows:—

Hurunui-Bluff Section.

From this section the revenue was £1,062,625, a decrease of £26,300.

The passenger business yielded £347,550, an increase of £13,284. The number of passengers was 3,912,505, an increase of 54,418. The number of season tickets was 63,249, a decrease of 628.

From parcels, luggage, and mails the revenue was £58,132, an increase of £1,233; from goods and live-stock £656,942, a decrease of £40,817.

The sheep traffic fell short by 246,087 head, cattle by 4,370 head, firewood by 2,132 tons, timber by 10,133 tons, grain by 98,454 tons, and merchandise (chiefly meat) by 20,944 tons.

Wool increased by 5,782 tons, and minerals by 14,287 tons.

The train-mileage was 2,849,898, as compared with 2,694,182 for the previous year.

The Canterbury District contributed to the revenue £476,349, a considerable drop as compared with last year. The passenger and parcels business was satisfactory, but in the goods traffic there were large decreases in sheep, chaff, timber, grain, and frozen meat.

The Otago District contributed £359,697, about the same as last year. Excepting a slight falling off in the suburban passenger traffic in the immediate vicinity of Dunedin, the passenger and parcels business was satisfactory, the revenue therefrom being in excess of last year. The goods business fell off, chiefly in grain and merchandise.

The receipts from the Southland District were £226,579, an increase of about £2,000.

Passenger and parcels traffic show a large increase, but, as in Canterbury and Otago, the goods business shows a drop, particularly in live-stock (cattle and sheep) and timber. Chaff, grain, and minerals show substantial increases.

Lake Wakatipu Steamer Service.

From this service the receipts fell short of last year by £1,100.

Both passenger and goods traffic show a decline, which is mainly due to a diversion of traffic to the Otago Central line since the opening of the extension to Omakau. The week-end excursions to Queens-town have also declined considerably.