

vans, 855 goods-wagons, and 2,889 new tarpaulins. The carrying-capacity of the wagon-stock was, moreover, increased by 9,670 tons, which is equivalent to a further addition of 1,612 ordinary 6-ton trucks. 2,095 new steel axles were fitted to carriages, vans, and wagons in substitution of old iron axles; greater strength and increased carrying-capacity have thereby been secured.

The whole of the new stock built on the Auckland, Wellington—Napier—New Plymouth and Hurunui—Bluff Sections has been equipped with the Westinghouse brake. All new stock is fitted with modern steel axles.

The whole of the rolling-stock, machinery and appliances, track, bridges, buildings, and structures connected with the lines throughout the Dominion have been kept in a thoroughly efficient condition.

Considerable progress has been made in the important work of relaying. Ninety-eight miles of main line were relaid during the year with 70 lb. standard steel rails, $1\frac{1}{2}$ miles with 100 lb. steel rails, and 35 miles of branch lines had 30 lb. and 40 lb. rails replaced with 53 lb. steel rails that had been taken out of the main line. The total distance relaid was therefore $134\frac{1}{2}$ miles.

A large number of new sleepers (331,678) were placed in the track. Ballast amounting to 363,246 cubic yards was also used. Considerable improvements have been made at stations throughout the Dominion in respect to siding accommodation, water-services, lighting station buildings, signalling appliances, road approaches, stock-yards, sanitation arrangements, and dwellings for staff. In addition to these a large number of other works for the promotion of the public interests and increasing the efficiency of the railway were undertaken. Many were completed, while others incomplete at the close of the year were being pushed on with the utmost speed.

On the 3rd August a train-accident of a serious nature happened near Ngatira, on the Rotorua line. A double-headed goods-train with passenger-car attached was proceeding to Rotorua when the engine-driver, without consulting the guard, detached the engines for examination purposes while the train was still on an ascending grade. The train immediately afterwards commenced to run back and ultimately became derailed near the foot of the grade. I regret to say that the guard was killed and two passengers and three railway employees injured. The accident was due to the brakes failing to hold the train, owing to their having been tampered with by some person unknown at the previous stopping-station.

REVENUE.

The gross revenue for the year amounted to £2,761,938. It exceeded the estimate by £211,938, and the gross revenue for the preceding year by £137,338. Passenger revenue shows an increase of £12,406; season tickets, £8,519; coaching traffic, £24,963; goods and live-stock, £83,642; miscellaneous and rents, £7,808. The receipts per train-mile amounted to 93·75d., as against 93·00d for the previous year. The earnings of the Lake Wakatipu steamers amounted to £6,637, as against £6,159 last year. The net return was equal to a return of 3·33 per cent. on the capital cost.

EXPENDITURE.

The expenditure for the year, including £5,377 incurred in connection with the Lake Wakatipu steamers, amounted to £1,949,759, an increase of £137,277 over the previous year, and absorbed 70·59 per cent. of the revenue as against 69·06 per cent. for the previous year:—

Expenditure.				Per Cent. of Revenue.	
1907-8.				1907-8.	1906-7.
£					
Traffic	534,634	494,942	19·40	18·90
Locomotive	733,403	657,893	26·62	25·13
Maintenance	638,560	613,890	23·18	23·45
Management	76,082	73,376	2·76	2·80
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1,982,679				71·96	70·28
Less credit recoveries	38,297	32,701	1·39	1·25
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1,944,382				70·57	69·03
Lake Wakatipu steamers	5,377	5,082	0·02	0·03
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£1,949,759				70·59	69·06