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New rolling-stock actually turned out of the Railway workshops completed during the year comprised two four-cylinder balanced compound Class X tender engines, weighing 94 tons each in working trim, and specially designed for use on the heavy grades on the Auckland Main Trunk line; eight heavy tank engines; four 50 ft. refreshment-cars; six 50 ft. sleeping-cars; twenty-four 50 ft. day cars; fourteen Class A cars; ten 50 ft. postal vans, ten bogie vans, 636 goods-wagons, and 750 new tarpaulins.

One thousand and nineteen modern steel axles were fitted to cars, vans, and wagons, in substitution for old iron axles. By this alteration the carrying-capacity of each wagon has been increased by 2 tons, and greater strength is insured.

All new car and wagon stock built in the workshops is equipped at the outset with steel axles, and this practice will be closely adhered to throughout.

All locomotives, carriages, and wagons built in the workshops for the North and South Island Main Trunk lines and branches are fully equipped with the Westinghouse brake.

Trials have been made of the use of incandescent mantles on lamps of carriages lighted by Pintsch's gas system. Beneficial results have been obtained, and all Pintsch gas-lamps are accordingly being fitted with mantles as rapidly as possible.

During the year 5,690,390 cubic feet of Pintsch's gas were manufactured at the five Railway gasworks installed in the North and South Island.

Machinery of improved type and greater capacity has been added to the workshop equipment during the year, at a cost of £10,956.

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

A total of 123 miles of line were relaid during the year—ninety-three miles of main line with 70 lb. steel rails, and thirty miles of branch line with 53 lb. steel rails that had been removed from the main line.

The number of new sleepers placed in the track was 292,549, and 335,891 cubic yards of ballast were used in track-maintenance.

A large number of improvements have been made at various stations throughout the Dominion: they comprise additions to station buildings, sidings, water-services; improved lighting at workshops, stations, and in yards; erection of houses for staff, signal appliances, goods-sheds, strengthening bridges, erecting stockyards, overbridges, and verandahs. New station buildings were provided at Fairlie, Mount Albert, and Glenavy, and new flag station between Takapau and Hatuma. A considerable number of other works, calculated to promote the public interests and the efficiency of the Railway service, were undertaken. Some were incomplete at the end of the year; they are, however, being pushed on as rapidly as circumstances will permit.

Traffic on the main line south of Dunedin was interrupted by floods in the Taieri River in July last. On the Otago Central line heavy falls of snow interfered materially with the train operations, and for thirteen days the running of trains on the portion of the line between Clyde and Ranfurly, a distance of fifty-eight miles, was impracticable.

In the North Island, traffic on the Foxton Branch was interrupted by floods for four days in August.

On 11th July two passengers were slightly injured in a derailment that occurred between Awatuna and Stafford on the Greymouth-Hokitika line, the result of cattle straying on the railway. On the 2nd February a slight collision occurred at Marton Junction, owing to the driver of a shunting-engine running out on to the main line after the down mail from New Plymouth had been given the right of road into the station. The damage to the line and rolling-stock was slight, and I am pleased to say that no one was seriously injured.