

year. The practice of replacing sleepers, inaugurated some time ago for the purpose of strengthening the track, was continued during the year, and also the laying of check rails to lessen the wear on the outer rails for sharp curves.

A large number of works having for their object the improvement of the facilities and increasing the accommodation were carried out during the year, comprising additions to station sidings, houses and social halls for the staff, new goods-sheds, stock-yards, improvements to water-services, drainage, workshops, engine-sheds, sanitary arrangements, and many other useful works too numerous to particularize.

The programme in hand comprises works that will give better facilities to the public and at the same time enable the operations of the Railway Department to be carried on more satisfactorily and economically.

The new wagons added to the rolling-stock during the year give an increased capacity of 8,290 tons, equal to 5·23 per cent. The increased carrying-capacity of the wagons is equal to an addition of 1,381 6-ton wagons.

The additional tractive power represented in the new locomotives is 436,853 lb., equal to an increase of 6·91 per cent.

The interlocking and signalling system has been brought into operation at Taumarunui, Te Kuiti, Mount Eden, and Wanganui new station, while additions and arrangements have been made at Auckland, Penrose Junction, Taihape, Palmerston North, Paekakariki, Timaru, Lower Hutt, Studholme Junction, Invercargill, and Greymouth; and Post and Telegraph siding at Addington, the Auckland Brick Company's siding at New Lynn, Railway sawmill siding at Ohakune, have been interlocked with the tablet system. With a view to increasing the safety the facing-points of the crossing-loops at the whole of the 125 stations in the North Island which are equipped with fixed signals have been fitted with special switch-locks, which prevent the home signals being lowered unless the facing-points to which the signal applies are unlocked. A commencement has also been made in the direction of similarly interlocking the signals and facing-points in the South Island.

The electric-tablet system has been installed and brought into operation between the sections Putaruru to Rotorua, Dunollie to Rewanui. New tablet stations have been opened at Wiri, Takanini, Makino Road, Belmont, and the ballast-pit near Pareora. Seventeen additional stations were equipped with semaphore signals, and the automatic exchanging apparatus was installed at nine stations. The total number of stations equipped with fixed signals is 245, and 82 stations have been interlocked. 1,538 miles of single line are now controlled by the Tyer's electric tablet, 39½ miles double line by the lock-and-block, and 21 miles by the train staff and ticket.

The telephone and telegraph facilities have been materially added to during the year, and at the 31st March the railway system of train-signalling by electric telegraph and telephones comprised 266 sets of Morse instruments, 1,385 telephones, 226 electric bells, 2,339½ miles of poles, and 6,423 miles of wire.

At the end of the year the equipment of the Onerahi-Whakapara Section with the electric tablet and the erection of telephone-lines between Frankton-Cambridge, Sheffield-Racecourse Hill, and Rolleston-Kirwee were in hand.

The whole of the railway appliances and equipment, consisting of rolling-stock, machinery, track, bridge-building and other structures have been maintained in an efficient and satisfactory condition.

REVENUE.

The labour unrest which had been manifesting itself for some considerable time, and ultimately culminated in strikes of considerable magnitude, extending over a period of three months, involving the coal-miners, waterside workers, seamen, carters, &c., and had a very detrimental effect on the receipts for railway traffic. For the first time for a long period the railways have failed in consequence to realize expectations in regard to the revenue. The gross receipts for the year amounted to £4,043,328, as against an estimated revenue of £4,200,000, the deficit on the estimate being £156,672. The sources from which the revenue was derived were:—

	1914. £	1913. £	Increase. £	Decrease. £
Passengers	1,450,480	1,461,873	...	11,393
Parcels, luggage, and mails ...	236,761	215,209	21,552	...
Goods	2,283,149	2,224,786	58,363	...
Rents and commissions ...	72,938	69,134	3,804	...
	<u>4,043,328</u>	<u>3,971,002</u>	<u>83,719</u>	<u>11,393</u>

Although the receipts for the year under review fell short of the estimate, they exceeded the revenue for the previous year by £72,326. The falling-off in passenger receipts amounted to £11,393. This is directly due to the restrictions in travel imposed for a long period as a result of the smallpox epidemic, also to the fact of the issue of holiday excursion tickets to Auckland over an extended period during the currency of the Exhibition, and finally to loss of the business of the Easter traffic, the passenger bookings for the preceding year having benefited by the inclusion of two Easters in the business for that year. The effect of the smallpox epidemic and the loss of the Easter traffic will be apparent from the fact that, although the total number of the passengers carried increased by 232,014, the actual receipts decreased by £14,410. The total number of passengers carried at holiday excursion rates declined by approximately 150,000, notwithstanding the extended issue of holiday excursion tickets to Auckland for the Exhibition, which proved insufficient attraction to counteract the effect of the restrictions resulting from the smallpox epidemic, loss of business through the strike, and loss of the Easter traffic.