

December, 1893, closed the line for through traffic for three weeks. The slips in the Manawatu Gorge closed the line to traffic several times, as did the washing away of three spans in the bridge over the Waitaki at Hakateramea in February, 1894. The celerity with which these obstructions were overcome, and the trains again enabled to run, reflect great credit on the Chief Engineer's Department.

The flattening of the grades at Swainson's, near Halcombe, on the Wanganui line, and at Makarewa, on the Invercargill-Kingston line, remove in each case the obstacle to the working of heavier trains over a considerable length of line.

A new passenger-station has been erected at Gore, in which an electric-light installation is now being placed. An extension of sidings and rearrangement of station-yards has been effected at Hastings and Edendale.

The extension of mileage, the increase in passenger traffic and in the carriage of live-stock, together with the urgent requirements of the freezing companies in the matter of quick delivery of their shipments at port, have made demands on the rolling-stock, which is being met by the conversion of old stock and the building of new vehicles to the standard type.

GENERAL.

The reduction of the charges on produce in such a way as to afford the greatest help to the settlers of the colony, such as by carrying at the lowest possible cost lime and other fertilisers, fencing materials, and such similar articles as are required in rendering the land more productive, and on which outlay there can be no return for some time, has received the careful consideration of the Commissioners. A good deal has been done in this direction already, but the Commissioners hope that it may be possible to do more without serious disturbance to the revenue.

There are frequent references to the fact that traction-engines compete with the railways in parts of the Canterbury District. This fact should cause no surprise, when it is considered that the roads and bridges are free to the owner of the traction-engine. He has no contribution to make either of interest on capital, cost of road, or for maintenance; the ratepayers do that for him. The railways, on the other hand, provide nearly 3 per cent. interest on capital cost, and bear the entire cost of maintenance, which averages £140 per mile per annum.

We have the honour to be,

Sir,

Your most obedient servants,

JAMES McKERROW,

J. RONAYNE,

J. L. SCOTT,

Railway Commissioners.