Picton Section: Seven bridges have been completely renewed in ironbark. The viaduct, and several other bridges, have been extensively repaired.

Fences.—The fences have been maintained in fairly good condition. The total length of fencing

is 2,900 miles.

Water-services, Signals, Cranes, &c.—These have all been kept in good working order, and, in

many places, improvements effected.

Wharves .-- Besides ordinary repairs to the various wharves in the charge of the Department, heavy repairs and renewals have been carried out to the Foxton Wharf, Export Wharf, Port Chalmers, and Westport staiths.

Buildings.—With the increasing age of many of the railway-buildings, repairs are necessarily becoming more extensive. These repairs are being carried out as required; and, in some cases

where buildings have been found to be not worth further repairs, they have been rebuilt. Painting has been carried out extensively.

New Works.—The following may be enumerated among the new works carried out during the

Kaihu Section: Dargaville—Rearrangement and extension of sidings, new timber-skids, per-booms, water-service. Flaxmill—Water-service. Ahikiwi—Water-service, new siding. timber-booms, water-service. Opanake—Extension of main line.

Auckland Section: Ellerslie—Signals. Ngaruawahia—Rearrangement of station. Mount

Eden—New house for Stationmaster.

Napier-Taranaki Section: Palmerston North-Extension of verandahs. Rangitikei River-Tanks. Waitotara—Tanks. Hawera—Extension and rearrangement of station. Eltham—Additional sidings, stock-yards. Stratford—Stock-yards. New Plymouth—Extensions of engine-

and coal-sheds. Waitara—Stock-yards. Rata—Stock-yards.

Wellington Section: Wellington—Alterations station-offices. Ngahauranga—Additions to station-office. Petone—New sidings. Lower Hutt—New sidings, additions to station-buildings. Kaitoke-Enlargement of refreshment-rooms. Carterton-Stock-yards, reconstruction, also paved.

Masterton—Stock-yards enlarged and paved.

Christchurch Section: Addington—Improvements to boiler shop, additions to seven dwellinghouses at various places. Medbury, Fernside, Ohoka, Irwell-Stock-yards. Fernside and Ohoka-Loading banks.

Dunedin Section: Oamaru—Additions to house. Sawyer's Bay—Underbridge and approaches to replace level crossing. Port Chalmers—Extension of wharf. Otago Central—Improvement of rock-slopes.

Invercargill Section: Invercargill—New station, Clyde Street. Centre Bush—New station. Kingston — New crane. Lumsden—Water-service. Fairfax—New sidings, and goods-shed

enlarged.

Greymouth-Hokitika Section: Fencing. Nelson Section: Waiting-room at wharf. Picton Section: Reclamation at Picton.

Expenditure.—The total expenditure on way and works during the year was £281,470 4s. 1d., as compared with £272,717 15s. 1d. last year, being an advance of £8,752 9s. The rate of expenditure per mile for the year was £140.88; that of the previous year being £138.22. The increase has been principally on rail and sleeper renewals.

Lake Ellesmere.—This lake was tapped by the Selwyn County Council on the 11th July, 1895,

and again on the 14th December, 1895.

Lake Forsyth.—This lake was tapped by the Akaroa County Council on the 20th June, 9th July, and 15th August, 1895.

Private Sidings.—Eleven new siding rights were granted during the year. The total number of sidings now on the register is 241, representing an annual rental of £4,335.

Leases.—The new leases granted during the year number 229. The total number of leases in

force is 1,141, with an annual rental of £11,960.

Staff.—The working staff employed during the year was 1,811, with an office staff of forty-two. I have, &c., The usual returns have been forwarded.

The General Manager, New Zealand Railways.

J. HENRY LOWE, Chief Engineer.

APPENDIX D.

Stores Manager's Office, Wellington, 8th June, 1896. I have the honour to report that the value of stores on hand on the 31st March, 1896, at Sir,-the various dépôts amounted to £86,498 13s. 8d., as against £100,119 16s. 9d. on the 31st March,

The stock is in good order, has been carefully and systematically inspected, and is value for I have, &c., the amount stated.

GEORGE FELTON,