ANNUAL REPORT OF THE GENERAL MANAGER OF NEW ZEALAND GOVERN-MENT RAILWAYS.

New Zealand Government Railways, Head Office,

Wellington, July, 1906. SIR,-

I have the honour to report upon the working of the open railways for the financial year ended the 31st March, 1906:-

The capital cost has increased from £21,701,572 to £22,498,972. The revenue was £2,349,704, against £2,209,231—an increase of £140,473. The net revenue was £728,465, as against £716,331 last year—an increase of £12,134. The expenditure for the year under review has been £1,621,239, against £1,492,900—an increase of £128,339. The expenditure per cent. of revenue was 69 00, as compared with 67.58 last year. The rate of interest on capital was £3 4s. 9d., as compared with £3 6s. last year. The revenue per train-mile was 7s. $3\frac{3}{4}$ d., and the cost per train-mile 5s. $0\frac{1}{2}$ d., as compared with 7s. $2\frac{1}{2}$ d. and 4s. $10\frac{1}{2}$ d. respectively last year.

The following extensions have been opened during the year:-

Kaiteratahi-Te Kara	·			•••		м. 5	ch, 5	
Ahuroa-Kaipara Flat	is		• • •		• • •		5	46
Scargill-Ethelton		•••	• • •				8	52
Paeroa-Waihi	•••		• • •	•••	•••	•••	12	24
							31	47

The total mileage added to the system during the year under review was thus 31 miles 47 chains, making the total mileage open for traffic on the 31st March 2,406 miles, as against 2,374 miles at the close of the previous year.

During the year 8,826,382 ordinary passengers were carried, yielding a revenue of £723,867, and 147,989 season tickets were issued, the revenue derived therefrom being £63,006, being an increase of 312,270 ordinary passengers and £42,961 revenue, and 7,536 season tickets and £5,753 revenue over the traffic under these heads in the previous year.

63,193 children and teachers and 57,027 adults travelled by school and factory excursions during the year, the revenue derived therefrom being £7,883—an increase of 3,092 children and teachers, 3,469 adults, and £392 revenue over the preceding year. 737,675 passengers travelled at holiday excursion fares, yielding a revenue of £140,940—an increase of 44,222 excursionists and £10,871 revenue, as compared with last year. The coaching and goods traffic has been well maintained during the year, the aggregate of both classes of business showing substantial increases on the previous year's traffic, notwithstanding the falling-off recorded in firewood, merchandise, and sheep.

Increases.Coaching.—Parcels, 66,569; horses, 1,357; carriages, 148; dogs, 1,505. Revenue, £27,592. Goods.—Cattle, 4,665; calves, 3,722; pigs, 14,934 head; chaff, lime, &c., 13,170 tons; wool, 8,462 tons; timber, 41,206 tons; grain, 39,778 tons; minerals, 132,188 tons. Revenue, £64,167. Total increase in goods and live-stock tonnage, 229,698 tons.

Decreases.

Firewood, 2,664 tons; merchandise, 2,230 tons; and 64,299 sheep.

Several additions were made to the train service during the year, the most important of which was the provision of an extra train between Woodville and Masterton to give an improved connection between the Wairarapa, Palmerston North, and Dannevirke; an extra train was also run during the summer months between Hastings and Waipukurau.

A tri-weekly passenger service in lieu of the previous mixed-train service has been inaugurated between Frankton Junction and Taumarunui, at which places the Wanganui River steamers connect, and with a view to facilitating through travel the journey-time on the days this service runs has been considerably reduced.

The experiment of running a Sunday service between Auckland and Otahuhu and a daily service between Waimate and Waiho Downs was made during the year. Both services, however, proved unremunerative and were consequently discontinued. The permanent increase to the train service represents 30,838 miles per annum, at a cost of over £7,700.

The contract for fitting the rolling-stock on the Hurunui-Bluff Section with the Westinghouse brake has been completed, and all engines and rolling-stock on the Auckland, Wellington - Napier - New Plymouth and Hurunui-Bluff Sections are now equipped with this brake.

Messrs. A. and G. Price, of Thames, completed their contract to build ten Class WF tank

The engines have been exhaustively tried, and have given general satisfaction.

The following rolling-stock was built in the Railway Workshops during the year: For the Working Railways, 5 engines, 42 bogie carriages, 10 bogie brake-vans, 238 wagons.

For the Working traitways, 5 engines, 42 bogic carriages, 10 bogic brake-vans, 250 wagons. For the Public Works Department, 45 wagons for railway-construction purposes.

On the 31st March 13 engines, 91 bogic cars, 18 bogic brake-vans, 143 bogic and 508 four-wheeled wagons were under construction in the Railway Workshops of the colony.

The Government having done me the honour of appointing me as its representative at the International Railway Congress, I left Auckland for Washington, D.C., United States of America, on the 22nd March, 1905, joining the Vancouver boat at Suva. During my journey through Canada and the United States I received every courtesy, and was afforded exceptional facilities for