

Axles.—During the year 1,311 car, van, and wagon axles were replaced with modern steel axles: this number is exclusive of the new stock built.

Westinghouse Brake.—The South Island contract for equipping with Westinghouse brake engines and rolling-stock on Hurunui-Bluff Section was completed in December, 1905, well ahead of contract time. All engines and rolling-stock used for traffic purposes on Auckland, Wellington-Napier-New Plymouth, and Hurunui-Bluff Sections are now equipped with quick-acting Westinghouse brake. As new engines and rolling-stock are built for these sections they are equipped in the Government Railway Workshops with the Westinghouse brake.

Car-lighting.—The oil and acetylene gas manufactured during the year for car-lighting at the five separate Pintsch gasworks amounted to 3,777,702 cubic feet, costing 2s. 8½d. per 100 cubic feet. During the year it was found necessary to increase the storage-capacity at Christchurch Gasworks by adding one high pressure storeholder.

Workshops.—The plant and appliances in workshops have been augmented during the year by additional tools and machinery.

Steamers.—The Railway Department's steamers on Lake Wakatipu have been maintained in good and efficient condition. Each steamer was thoroughly overhauled during the slack season, and many improvements effected for the comfort and convenience of the travelling public.

Train Running and Mileage.—There has again been a large increase in train-mileage. Compared with 1904-5 the increase for 1905-6 is 306,494 train-miles, equal to 5·02 per cent., and 491,976 engine-miles, equal to 5·98 per cent.

The increased cost per train-mile has been mainly caused by extra cost of fuel, wages, and generally enhanced cost of materials and stores.

The following statement shows particulars of the expenditure per train-mile:—

Year.	Train-mileage.	Engine-mileage.	Cost in Pence per Train-mile.		
			Locomotive Branch.	Car and Wagon Branch.	Total.
1905-6	6,413,573	8,713,762	17·52	4·47	21·99
1904-5	6,107,079	8,221,786	16·73	4·32	21·05

The usual returns are attached.

TRAFFIC.

Mr. H. Buxton, Chief Traffic Manager, reports as follows:—

Hurunui-Bluff Section.

Revenue, £1,107,351, an increase of £44,726.

	No.	Amount. £	Increase. £
Passengers	3,995,922	332,894	13,779
Season tickets	65,899	30,607	2,173
Parcels, luggage, and mails	...	70,703	12,570
Goods	Tons. 1,931,678	673,147	16,204
Live-stock	Head. 1,825,388		

The Canterbury District contributed £514,500, about £37,000 in excess of last year. The passenger business increased by nearly 65,000 passengers, both ordinary and excursion bookings showing considerable expansion.

The parcels traffic also shows a steady growth, the number of parcels carried having increased by 12,328.

The sheep traffic in Canterbury shows an increase of 189,957 head, and is exceptional in this respect, similar traffic in the other districts having declined.

The coal, timber, and general goods traffic was largely in excess of last year.

The Otago District contributed £367,300, an increase of over £7,000.

The returns show large increases in both ordinary and excursion passengers.

The parcels and other coaching traffic was also heavier than last year.

There was a falling-off of 53,764 sheep and 11,000 tons of merchandise, the latter due to the diversion of shipping from Port Chalmers to Dunedin, and to a decline in the exports of frozen meat.

The goods business was otherwise satisfactory.

The dairy industry continues to expand, the returns under this head being well in advance of last year.

The Southland District contributed £225,551, which is slightly below last year's figures.

The passenger and coaching business has improved, and shows an increase of over £4,000.

The goods traffic shows a decline in timber, agricultural produce, and merchandise.

In timber the falling-off is due to mills ceasing operations after exhausting supplies.