

services dislocated for a considerable time. The interruption between Mercer and Ngaruawahia was very serious, and extended over a period of a fortnight. The Foxton line was also interrupted on two occasions for short periods from similar causes, traffic being suspended in both cases.

Motor services have been established between the Upper Hutt and Lower Hutt, and Auckland and Henderson. The experiment has not so far proved remunerative, but I am hopeful that better results will be achieved after a more extended trial as the services become better known and settlement extends.

With a view to relieving the congestion of traffic that occurs between Milton and Clarksville, and consequent train-delays that occasionally arise at the present time, it has been decided to duplicate the line between these stations, and an immediate commencement will be made with the work.

The North Island Main Trunk line being within measurable distance of completion, and there being already indications that a very heavy traffic will result therefrom, the question of providing locomotive power and rolling-stock equipment in readiness for the opening of the line has been engaging close attention. Engines of great power will be required to successfully negotiate at a reasonable speed the heavy grades ruling on the ninety-one miles of line separating Taihape and Taumarunui. The success which has been achieved by the "A" class four-cylinder balanced-compound already running in the South Island indicates that an engine of a similar type, but with certain modifications, will meet all the requirements of the traffic on the heavy grades of the Main Trunk. Designs have been prepared accordingly, and eight large-tender four-cylinder balanced-compound locomotives of a special type are now in course of construction, and will be completed in readiness for the opening of the line.

Owing to the length of the line and the fact that an essential feature of the time-table will be the establishment of a service that will enable the through journey between Auckland and the Bluff to be made in the shortest possible time night-travelling will be unavoidable and sleeping-cars an indispensable adjunct to the equipment of the through trains. Careful investigation has been made with the view to the adoption of a car that will give the maximum of comfort and convenience to travellers and be at the same time best adapted to the lines. Plans for 40 bogie cars, 4 refreshment-cars, and 8 bogie brake-vans for special use on the North Island Main Trunk trains have been prepared, and the construction of the vehicles has been put in hand.

In continuation of the policy enunciated in 1903, that private engineering shops in the colony would be given an opportunity of tendering for the building of railway rolling-stock, a contract has been let to Messrs. A. and G. Price, of the Thames, to build 20 tender engines of the four-cylinder balanced compound type, and the firm has already made a commencement with the work.

With a view to keeping pace with the increasing business and further augmenting the stock, a comprehensive programme has been prepared for the year ending 31st March, 1908. Under this, stock consisting of 10 "W.F." engines, 43 cars (giving seating accommodation for 2,150 passengers), 1,234 wagons (with a carrying-capacity of 10,553 tons), and 18 brake-vans will be put in hand during the year, and, taken in conjunction with the rolling-stock now under construction in the Workshops, will furnish constant employment for a very large number of the artisans of the colony, and with a view to expediting the building of the stock the workshops at Hillside and Newmarket are working two shifts, while the Addington and Petone shops are working overtime. The staff of all these shops has been materially increased to enable these arrangements to be satisfactorily carried out.

The opening of the Broken River Section of the Midland Railway on the Canterbury side in November last enabled the journey, Christchurch to Hokitika, Greymouth, and Reefton, and *vice versa*, to be made in one day; and a tri-weekly train-service was inaugurated on this basis in conjunction with Messrs. Cassidy and Co.'s coaches.

During the Exhibition season the overland route was very largely availed of, consequently arrangements were made for a continuation of the service; and,