

During the currency of the Exhibition, holiday excursion tickets to Christchurch were issued from all stations in the South Island, and special through tickets for the rail and steamer journey were by arrangement with the Union Steamship Company, Northern Steamship Company, and Messrs. Huddart Parker and Co. issued from all stations in the North Island to Christchurch.

In addition to the general holiday excursion issue to Christchurch thus obtaining during the six months the Exhibition was open, specially cheap fares were arranged on suitable occasions for rail and also rail and steamer journeys to Christchurch. The results of these cheap excursions were, however, disappointing.

The new station at Dunedin was opened in November. It afforded facilities and accommodation that were much required for satisfactorily dealing with the business. Its advantages were very apparent during the heavy traffic connected with the Exhibition and holiday season. The refreshment-room connected with the station is conducted by the Department, and supplies a convenience much appreciated by the travelling public.

During January, traffic in the Auckland district was seriously interfered with by heavy floods, which did considerable damage to the line between Mercer and Ngaruawahia. Floods on the Foxton Branch also necessitated suspension of traffic on two occasions.

In October the B goods-shed, at Christchurch, took fire and was with its contents totally destroyed. Steps were immediately taken to provide for its replacement and also for the temporary accommodation necessary to enable the business to be carried on.

Three locomotives, 60 carriages, 11 bogie brake-vans, and 467 wagons were built in the railway workshops and added to the stock during the year. Fifty wagons were also built for the Public Works Department for railway-construction purposes, and one wagon for the Napier Harbour Board.

On the 31st March 18 locomotives, 112 bogie cars, 15 bogie brake-vans, and 988 wagons were under construction in the railway workshops of the colony, in addition to which Messrs. Price Bros., Thames, were building under contract 20 locomotives for the Department.

I regret to report that a collision occurred near Bankside on the morning of the 29th March between the 10.45 p.m. mixed train from Christchurch to Ashburton and a special conveying Volunteers from Timaru to the Easter encampment at Sheffield. The accident resulted from the Christchurch train overrunning the crossing-place. Both engines and portions of the rolling-stock on each train were extensively damaged, but I am glad to say no lives were lost.

MAINTENANCE.

Mr. John Coom, Chief Engineer, reports as follows:—

Permanent-way.—The track was maintained in good order, and its present condition may safely be said to be superior to that at any other period in the history of the railways.

Eighty-four miles and a half of the main line were relaid with 70 lb. steel material, and thirty-six miles of branch lines were relaid with second-hand 53 lb. rails removed from main lines.

296,233 new sleepers were put into the track; of these 36,927 were imported hardwood, and the balance, 259,306, native timber, 78,363 of which were creosoted.

The number of sleepers used was considerably less than during the previous year. Owing to efficient maintenance in the past arrears have been gradually overtaken, and a further slight reduction may still be looked for in the future. The following shows the reduction which has taken place during the past four years: 1903-4, 352,896; 1904-5, 331,910; 1905-6, 336,424; 1906-7, 296,233.

The cost of track renewals was high, due to the amount of relaying on branch lines, the increased cost of materials, and higher rate of wages.

Slips and Floods.—Several slips of minor importance occurred in various districts, causing slight delays.

In January last floods in the Auckland district caused serious damage to the track and consequent dislocation of business between Mercer and Ngaruawahia; the traffic was interrupted for a fortnight.

On two occasions the Foxton Branch was flooded, traffic being suspended for brief periods.

Ballasting.—272,510 cubic yards of gravel ballast and 33,650 cubic yards of broken metal was put into the track during the year.

Bridges, &c.—The bridges and culverts were maintained in safe condition, a considerable amount of work in the way of renewal and strengthening having been carried out. The principal works in hand during the year were: Wanganui district, Wangaehu Bridge; Wellington district, Waipoua and Ngawapoua Bridges and completion of Ormondville Viaduct; Christchurch district, Selwyn, Rakaia, and North Rangitata Bridges; Invercargill district, Maitara Bridge, Glenham Branch.

Water Services.—Several improvements were made and the services generally maintained in a satisfactory condition.

Signals and Interlocking and Safety Appliances.—The Signal and Electrical Engineer's report is attached hereto.

Wharves.—These were maintained in good order.

Strengthening and renewal of the Greymouth wharves were in hand; repairs to the small wharves at Nelson were completed, and the repairs of the wharf at Picton commenced.

As mentioned in my last report, additions to the wharves at Nelson, and entire renewal of the Picton Wharf, are works requiring early attention.

Buildings.—The new station buildings at Dunedin and Blenheim were completed. New station buildings were provided at Waimate and Warrington, and flag-stations at Mackaytown, Owaharoa, Winiata, and Menzies' Ferry.

Goods-sheds were erected at Ealing and Washdyke, and an engine-shed at Glenham.

The expenditure under this head for the year amounted to £53,185, which is higher than for any previous year.