Electric lock-and-block instruments in use, 80, at 36 stations. Electric tablet instruments in use, 874, at 362 stations. Automatic tablet exchangers in use at 330 stations.

Telegraph and Telephone Facilities.

Three hundred and four miles of wire and $189\frac{1}{2}$ miles of poles have been erected and brought into use, also various alterations and additions have been made to improve existing lines.

Sixty-eight telephone connections have been brought into operation. Twenty additional con-

nections and four extensions have been made to public exchanges.

Two additional Morse connections and eight Morse instruments in Christchurch learners' gallery have been installed.

A number of old-pattern instruments have been replaced by modern up-to-date appliances. All telegraph, telephone, and block wires between Addington and Sockburn have been placed

underground.

Totals now in use: Morse sets, 276; telephones, 1,453; electric bells, 230; miles of wire,

6,727; miles of poles, 2,529.

The following work is in progress: Palmerston North - Napier (Morse line); Waipukurau-Port Ahuriri (Morse line); Christchurch - Little River (telephone line); Amberley-Rangiora (telephone line); East Oxford - West Oxford (telephone line).

Electric Lighting and Power.

Electric light has been installed at Auckland Goods-yard, Te Kuiti, Ravensbourne, Wingatui, Mosgiel, and District Engineer's house at Invercargill, and additional lighting has been provided at Wellington and Petone Workshops.

The installation of lighting at Parnell Tunnel and Loco. Depot at Linwood is in hand.

Electric cranes have been installed in the goods-shed, Invercargill, and stores-yard, Wellington. The electrical work in connection with the installation of additional motors for driving machines at Hillside, Addington, and Petone has been carried out.

The expenditure on electric-block working, telegraph and telephone facilities, and electric lighting for the year was:—

New works— Electric tablet working Telephone and telegraph lines Electric light		•••	 	£ 5,709 3,078 1,581	8 14	5
Maintenance— Electric-block working and te Lines, &c., maintained by Pos Electric light					6 10	10 0
Public telephone-exchange connects	ions		 •••	£18,781 £2,822	11 5	11

TRAFFIC.

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

Whangarer Section.

Revenue, £49,233; increase, £6,512.

Passengers increased 21,849. Last year there was a decrease of 15,000, owing to restriction of travel in consequence of the outbreak of smallpox. The traffic on the Kaikohe Branch, which was opened on the 1st May, and the inclusion of Easter traffic have added to the numbers this year.

Parcels increased 3,926, chiefly cream traffic.

There was an increase of 26,570 tons of minerals. The output of coal was affected during the previous year by strikes.

There was a slight improvement in live-stock, merchandise, and firewood; but grain and timber decreased.

Kaihu Section.

Revenue, £5,575; increase, £587.

An extension of two miles and a half of line was opened on the 1st June. The principal increases were 5,300 passengers and 2,330 tons of timber.

Gisborne Section.

Revenue, £22,857; decrease, £646.

An extension of thirteen miles was opened on the 2nd November.

Passenger revenue increased £485 and goods revenue £1,444, but in the previous year a considerable sum was received for the hire of engines and wagons, which accounts for the gross decrease.