Picton Section : The Picton Viaduct has had three new concrete foundations for piers.

Fences .--- Very extensive repairs to fencing have been done. A large number of cattle-stops and gates repaired and renewed. Several miles of fencing destroyed by fire in various places have been reinstated.

The total length of railway-fencing is 3,001 miles.

Roads.-Station-roads and level crossings have been kept up in good order, but owing to a long spell of fine weather they have required less repairs than usual.

Water-services, Signals, &c.—The water-raising appliances have been maintained in good order. The water-supply has been impaired by the drought experienced during several months of the year. Extensive additions to the water-services have been made, and further additions are in progress.

ress. Signals, and other appliances generally, in good order. Wharf has had repairs to decking. The Dargaville timber-skids have been Wharves.—Opau Wharf has had repairs to decking. The Dargaville timber-skids have been repaired. Decking of Onehunga Wharf repaired, and light repairs to Huntly Wharf and Helensville timber-slip.

Considerable repairs were effected to the wharves at Greymouth and Picton.

Buildings.---A number of platforms have had old timber fronts renewed in concrete, and gravel surfaces tarred and asphalted.

Extensive repairs have been made to station-buildings and dwellinghouses. A large amount of painting done. A number of loading-banks rebuilt, several in concrete. Several cattle-yards renewed, and a large number repaired. Several engine-sheds and engine-pits repaired. *Miscellaneous Works.*—A large number of small alterations and improvements, charged to

Working-expenses Account, have been carried out, including improvements and enlargements to station-buildings, offices, waiting-rooms, latrines, lighting, dwellinghouses, outhouses; removal of unoccupied buildings to places where they could be utilised; enlargement of cattle-yards and loading-banks; and additions to sidings.

Westport: New workshops and running-shed, replacing those destroyed by fire. New stationbuildings in course of erection.

Additions to Open Lines .- The following are some of the principal works in hand during the year :-

Whangarei—Addition to wharf commenced. Kaihu—Goods-shed. Maropiu—New water-service. Auckland—Building for Pintsch's gas-plant. Newmarket workshops—Overhead crane-ways. Frankton—New sidings, weighbridge, and signals. Manganui—New station. Hawera—New sidings and signals. Feilding—New verandah. Fordell—Additional land pur-chased, and extension of goods-shed. Marton Junction—New station and sidings. Woodville— Completion of new station-yard, platforms, approaches, and signals. Awatoto-Additional siding. Completion of new station-yard, platforms, approaches, and signals. Awatoro—Additional staing. Wellington—District offices. Petone—Commencement of addition to workshops. Summit and Upper Hutt—Completion of additional sidings. Cross Creek—Station-yard and engine-shed enlargement in progress. Masterton—Engine turntable, addition to engine-shed, and extension of sidings. Pahiatua—Engine turntable and pit. Christchurch — Building for Pintsch's gas-plant, additional Customs examination - shed, sidings, and road - approaches. Woolston—Additional siding. Addington—Additions to workshops. Willowbridge—Public siding. Studholme—Addi-tional sidings and signals. Dunadin—Commencement of additional import shed. Hillside worktional sidings and signals. Dunedin-Commencement of additional import shed. Hillside workshops—Additions. Mosgiel—Enlargement of station-yard. Upper Waitaki—Protective works. Island Cliff—Goods-shed. Lumsden—Signals. Winton—Enlargement of station-yard.

Expenditure.—The expenditure on maintenance of way and works during the year was £325,699 2s., which represents a rate of expenditure per mile of £159.42. The principal increase is on renewals to permanent-way. There has been additional mileage of track relaid, also about 43,000 sleepers used more than previous year. There has also been an increase in the expenditure on bridges, partly due to the rebuilding to provide for heavier traffic. The increases are due to the exceptional expenditure entailed by heavy floods, also to the essential requirements of keeping pace with the increasing traffic. Further increased expenditure in this latter direction will have to be provided for in view of the increasing number and weight of engines and trains. The expenditure on buildings has been somewhat less than last year.

Private Sidings.—Sixteen new rights were granted during the year. The total number on the register at 31st March was 255, representing an annual rental of £4,062.

Leases.—New leases granted during the year were 287, and 230 leases expired. The of leases in force on the 31st March was 1,365, representing an annual rental of £13,330. The number

Staff.—The working staff employed during the year was 2,142, with an office staff of sixty-one. The usual returns have been forwarded.

I have, &c., J. HENRY LOWE, Chief Engineer.

The General Manager, New Zealand Railways.

SIR,-

APPENDIX D.

Stores Manager's Office, Wellington, 15th June, 1898.

I have the honour to report that the value of stores on hand on the 31st March, 1898, at the various depots amounted to £79,290 19s. 3d., as against £81,828 16s. 2d. on the 31st March, 1897.

The stock is in good order, has been carefully and systematically inspected, and is value for the amount stated. I have, &c.,

GEORGE FELTON,

The General Manager, New Zealand Railways.

Stores Manager.