

CONCLUDING REMARKS AND FORECAST.

The anticipations respecting the completion of the New Plymouth deviation have been fulfilled, the line being completed and open for traffic on 15th December. It has been found to be of considerable advantage in dealing with the traffic.

The expenditure for maintenance of lines, buildings, and other structures has increased from £613,890 to £638,560, representing an average expenditure of £258·31 per mile of railway, against £252·78 for the previous year. The increased expenditure has been incurred on the Kawakawa Section, £557; Whangarei, £77; Kaihu, £145; Auckland, £8,010; Hurunui-Bluff, £13,058; Westland, £3,849; Westport, £2,072; Nelson, £528; Picton, £401. The cost of maintenance has decreased on the Gisborne Section £293; Wellington-Napier-New Plymouth, £3,734.

The increased cost of maintenance is very largely due to the policy of betterment that has been followed during the past few years, under which the pioneer main lines of the Dominion, originally designed and equipped for dealing with a small business by trains run at low speeds, have been gradually converted into standard lines, capable of meeting the requirements of the ever-expanding traffic and the demands that have arisen for fast passenger-services between the important business centres of the Dominion. The lines are in excellent condition, and, in view of the important functions they perform in the development of settlement and commerce of the Dominion, it is essential that the present high standard be maintained.

Additions and improvements to lines and structures amounting to £23,996, which might fairly have been charged to capital, have been made during the year and charged to Working Expenses.

The additional expenditure in the Traffic Branch is due to the additional train-mileage, consequent on improved train services and extra train staff to meet the requirements of the expanding business, and for working interlocking-signalling and electric train tablet systems. In the Locomotive Branch the increase is due to extra train-mileage, heavy renewals and repairs, increased cost and consumption of coal, and increased staff to meet the requirements of the traffic, and the improved condition in respect to hours. The increase in the cost of management is mainly incidental to the scale increases of salaries to the staff under the Classification Act.

A Railway Classification Act was submitted to and duly passed by Parliament during the last session. It embodies the allowances granted in November, 1905, to certain members of the Railway service, and provides for improved pay to the staff generally.

Regulations under section 4 thereof relative to the payment of a minimum salary of £130 to married members of the service or to members of the service who are widowers with children dependent upon them, and also relative to the payment of a minimum salary of £100 to members who are 22 years of age or over, have been approved and are now being gazetted.

Arrangements have been made by which all railway employees who have been employed in the Railway service continuously for a period of five years or over, but whose status has only been that of casual employee, will be placed upon the permanent staff.

Considerable progress has been made with the Auckland-Penrose duplication. The double line between Newmarket and Penrose will, in all probability, be ready for opening by September, but the portion between Auckland and the Parnell Tunnel will not be ready for some time, being dependent on the completion of the Parnell Bridge.

The Addington-Rolleston duplication is progressing favourably, and will be ready for opening in the course of a few months.

Over four miles of the Lower Hutt-Wellington duplication have been completed, and the duplicate line will be opened to Ngahauranga shortly. Road formation and metalling will also be gone on with at an early date.

A large amount of work has been carried out in connection with the Dunedin-Mosgiel duplication. The Caversham Tunnel drive has been put in some eight chains, and a start is contemplated at the new Chain Hills Tunnel, Wingatui.

Interlocking points and signals were installed and brought into operation at Timaru, Waiareka Junction, Oamaru, Pukeuri, Pelichet Bay, Paparangi, Strat-