

places to enable them to travel to the nearest store for the purchase of household commodities. In other cases privilege tickets at quarter ordinary rates are obtainable. Members and their wives are granted privilege tickets once a week instead of monthly as previously. First-class passes for period of annual leave are issued once a year to all members of the First Division and to members of the Second Division with over ten years' service; second-class passes are issued to other members. Social halls for the use of members have been provided at centres and sub-depots. A Superannuation Fund has been established. A Railway Appeal Board has been established in both Islands. Codes of instructions for the use of members of the Traffic, Locomotive, and Maintenance Branches have been compiled and supplied to members. The rules and regulations have been revised, and conform as closely as possible to the requirements of the English Board of Trade.

The following indicate the direction in which the principal reductions have been made in rates:—

To travelling public: Reduction in ordinary and suburban passenger fares, and season and commutation ticket rates; extension of availability of single and return tickets; introduction of holiday and school excursion rates, workers' weekly 2s. and twelve-trip tickets, sectional season tickets, and week-end tickets to seaside resorts; cheap rates for apprentices and young persons travelling to employment; concessions to religious bodies; judges travelling to shows, pleasure and theatrical parties, and teams travelling to sports; extension of use of tourist tickets to persons residing in the Dominion; through booking by rail and steamer for inter-Island traffic; establishment of check-luggage system for local and inter-Island traffic; cartage of inter-Island luggage between railway-stations and steamers at Wellington at contract rates, which has resulted in large saving in cost of transport to passengers; checking, collection, and delivery of passengers' luggage by New Zealand Express Company; reduction in excess-luggage rates; concessions to workers in connection with tools taken as luggage.

The principal concessions in coaching and goods rates apply to parcels, racehorses, hounds, milk, bicycles, private-siding rent, show stock, frozen meat, live-stock, wool, grain, timber, chaff, lime, manures, lime for manuring farm lands (free), butter, cheese, honey, hemp, bacon, poultry, store sheep, sheep-dip, fencing, New-Zealand-grown fruit and vegetables, flax, and coal.

Rolling-stock Equipment.

Since 1895, 251 locomotives have been added to the stock, making the total tractive power 6,754,663 lb. In 1895 the average tractive power of the 269 engines then in use was 6,528 lb. per engine; at the present time the average tractive power per engine is 12,989 lb.—an increase of 99 per cent. The heaviest locomotive in 1895 was 63 tons, while at the present time the largest locomotive running on the lines weighs 94 tons. Twenty-two engines of low power were converted to improved types and made serviceable for present-day requirements. 112 new locomotives have been manufactured in the railway workshops, and fifty in the private engineering establishment of Messrs. Price Bros., Thames. A number of engines of obsolete type have been scrapped and replaced by engines of modern type.

New carriages to the number of 832, of which 786 were manufactured in the railway workshops, have been added to the stock, bringing the seating-accommodation up to 55,937 passengers. The maximum seating-accommodation of the cars in use in 1895 was thirty-five passengers per car; the seating-accommodation of the carriages now in use is forty-two passengers per car—an increase of 20 per cent. All second-class cars are now fitted with cushion seats. The system of car-lighting is now by Pintsch gas, acetylene, or electricity, which have supplanted colza-oil and kerosene lamps. The gaslight is used on all the main-line systems, and acetylene or electricity on the small sections. 123 out-of-date carriages, which were in good condition, have been converted into up-to-date vehicles, and twenty-four obsolete cars which were written off have been replaced by vehicles of modern type. Dining-cars have been placed on the Rotorua-Auckland, Auckland-Wellington, Wellington-New Plymouth, and Christchurch-Dunedin express trains, and sleeping-cars on the Wellington-Auckland express services. The express trains on the Hurunui-Bluff and Auckland-Wellington Main Trunk Sections are now heated by steam. 2,358 foot-warmers have been provided, and these are used on all the principal main line and suburban trains on all sections.

One thousand four-wheeled and fifty-four bogie sheep-trucks have been added to the stock, and the whole of the 1,443 sheep-trucks now in use have been fitted with grated floors, which not only facilitate cleaning, but reduce the mortality where sheep get down during transit. 147 four-wheeled and 108 bogie freezers have been added to the stock. The total number of wagons of all classes now in use is 19,236, with a carrying-capacity of 160,218 tons. This represents an increase of 10,972 wagons of all classes since 1895, of which number 10,012 were built in the railway workshops. 17,987 wagon-axles have been replaced with new axles of greater strength, thus increasing the carrying-capacity of wagons so fitted by 2 tons each. The additional carrying-capacity obtained by using stronger axles is equivalent to adding another 2,981 four-wheeled trucks to the stock, bringing the total equivalent increase in wagon stock up to 13,953 wagons since 1895.

The cost of conversion and replacement of carriages and locomotives and of the improvements to wagons by the substitution of new axles, &c., has been paid for out of working-expenses.

The Westinghouse continuous air-brake has been installed on all the principal sections of railway; the number of vehicles at present fitted with this appliance is 482 locomotives, 1,209 carriages, 320 brake-vans, and 15,962 wagons. Eighty-four wagons have in addition been "piped," so that they may be run on trains on which the air-brake is in use. All new rolling-stock built in the railway workshops and in Messrs. Price Bros. foundry is fully equipped with Westinghouse-brake appliances before leaving the shops. The expenditure incurred in fitting the Westinghouse brake has been £486,946.