

all events, until it is seen how the recent change in the administration is likely to turn out. In the meantime, the balance of consideration would seem to be much in favour of the State retaining the management of its Railways in its own hands, although I am not prepared to say that the time may not arrive when it may be otherwise.

Among other points to which the Committee of last session directed its attention was that of affording greater facilities for the purchase of railway tickets than exist at present. I may say that with this view arrangements are now being made whereby, at the chief centres of population, tickets may be purchased otherwise than at Railway Stations.

Although during the past financial year there are one or two small lines which have not paid working expenses, yet upon the whole the returns will no doubt be regarded as satisfactory.

WORKING RAILWAYS, MIDDLE ISLAND.

In the Middle Island considerable lengths of line have been opened during the past year. At the close of the preceding year there were 647 miles of railway open for public traffic, and on 30th June last 741 miles were opened, being an increase of 94 miles. The gross revenue on Middle Island Railways during the year amounted to £467,316, and the expenditure to £321,970; leaving a net balance available for the payment of interest of £145,346, as against £118,040 for the previous year.

The working expenses of the whole of the Middle Island Railways have averaged 68·89 of the receipts.

The total expenditure on the Construction of Railways in the Middle Island, including the Estimated Provincial Expenditure and the outlay on Harbour Works at Greymouth is, in round numbers, about £5,469,000, so that the profits show 2·65 per cent. on the whole outlay. This may be regarded as a not unfavourable result, seeing that some of the lines included in the above outlay have only been opened recently, and others are still unfinished.

The total number of passengers carried during the year was 1,159,147.

The working expenses on the Dunedin Section are considerably higher than during the previous year. This is mainly attributable to the heavy expenditure which has been found necessary in the renewal of rails and sleepers.

It will be seen from the Departmental Reports that £36 per mile of railway has been expended during the past year in new rails and fastenings on the Dunedin Section.

The working expenses on the Christchurch Section have been considerably reduced. The Commissioner's report shows a decrease of upwards of 6 per cent. on the gross revenue, being equal to a sum of £17,500, an amount which would have been considerably larger but for the introduction of a new tariff and mode of charge during the year.

For example, the rate during the year 1876-77 between Christchurch and Lyttelton for coal was 5s. 6d. per ton, and on timber 1s. 4d. per 100 feet. These rates have been reduced to 3s. 6d., and 10d. respectively, leaving a difference in favour of the earnings of 1876-77, as against 1877-78, of 2s. a ton on coal, and 6d. per 100 feet on timber, which on the quantity conveyed represents upwards of £6,700.

In comparing the result of the management for the two years, it is only fair to observe that, had the old rates been maintained, the sum named would have appeared at the credit of the past year.

It is held by some that provision should be made for wear and tear, and renewing the lines, by means of a sinking fund. I am disposed to think, however, that the system at present adopted—viz., that of renewing the lines as required and charging the cost directly against working expenses, is the best—it is certainly the simplest as regards accounts. It is not as though the whole of the lines had to be renewed at one and the same time—the work of renewal really commences from the date of opening the line for traffic.