

It may be interesting to observe that the earnings per mile per annum on the three main Sections of Railways opened for traffic in the Middle Island are—

|                      |     |     | £     | s. | d. |                     |
|----------------------|-----|-----|-------|----|----|---------------------|
| Christchurch Section | ... | ... | 764   | 10 | 7  | per mile per annum. |
| Dunedin Section      | ... | ... | 1,071 | 19 | 5  | " "                 |
| Invercargill Section | ... | ... | 331   | 3  | 1  | " "                 |

#### WORKING RAILWAYS, NORTH ISLAND.

In the North Island there were 311 miles of Railway open for public traffic on 30th June last, being 99 miles in excess of the number open on the same date of the previous year. The gross revenue for the year amounted to £102,581 18s. 4d., and the expenditure to £83,925 2s. 7d., leaving a net balance available for the payment of interest of £18,656 15s. 9d., as against £13,565 12s. 8d. for the preceding year.

The working expenses of the whole of the North Island Railways have averaged 81·81 per cent. of the receipts.

The total expenditure on Railways in the North Island up to date is, in round numbers, about £2,478,000, showing a profit on the whole outlay of 15s. per cent. A saving of some £8,000 a year has been effected in the working expenses of North Island Railways since they have been placed under separate management.

The total number of passengers carried during the year was 313,728.

The Reports of the Commissioners of Railways for each Island so fully explain the position, and afford such ample information of affairs, that I shall not further weary the House on this part of the subject.

#### RAILWAYS UNDER CONSTRUCTION—NORTH ISLAND.

So much for the Working Railways. I shall now turn to the other department of Public Works, namely—that of Railway Construction. You will, no doubt, be glad to learn that a considerable saving will be effected in the Head Office staff of this department, although the full extent of such saving will not appear until the expiration of the twelve months' notice of termination of engagement to which officers are entitled; the estimates will then show a reduction of some £3,000 a-year on departmental salaries. I am not without hope that a still further reduction may be effected without impairing the efficiency of the public service. This will, of course, depend upon the extent to which we may be enabled hereafter to carry on railway construction.

The position of Engineer-in-Chief for the colony it has been found expedient to dispense with, chiefly on the ground that it is physically impossible for one man to exercise any very minute personal control over the public works in both islands. It has, therefore, been deemed conducive to the public interest to appoint an Engineer in Charge in each of the two Islands, both of whom are, as in the case of the Commissioners of Railways, directly responsible to and under the control of the Government, through the Minister. By this means, the professional head of the department, primarily responsible, will be enabled to exercise a much closer personal supervision and control over Public Works than heretofore; and so far as my experience of the change enables me to judge, I am of opinion that the new arrangement is likely to work well, and be beneficial to the service. The departmental expenditure has not been increased, but has been diminished by the change.

It has been alleged that the changes by which the construction of Public Works, and the working of Railways in each Island, has been placed under distinct heads, is the forerunner of some deep and sinister design on the part of some person or persons, and that it is studiously intended to lead up to the political separation of the two Islands. I need scarcely say that such surmise is absolutely without foundation; one of those changes, at least, has been the result of careful inquiry by a Committee of this House, and, in so far as I am concerned, both have been made solely and simply with a view to more efficient and economical administration, altogether irrespective of the political opinions which I have long held, and which I still hold, as to what would have been the best and most suitable