

In the carriage of live-stock there is an increase in cattle, sheep, and pigs ; in goods, an increase in wool, timber, and chaff.

The chief items of decrease consist in the movement this year of 112,446 tons of grain, and 20,295 tons of merchandise less than last year. The Hurunui-Bluff Section is responsible for the shrinkage in tonnage. The chief, if not the sole, cause for this is to be looked for in the low yield of the harvest in the Middle Island this year, and the low prices which have been ruling for produce generally for some time.

The traffic for the last ten years has been as follows :—

COMPARISON OF TRAFFIC, REVENUE, AND EXPENDITURE FOR THE LAST TEN FINANCIAL YEARS.

Year.	Miles.	Revenue.	Expenditure.	Expenditure Per Cent. of Revenue.	Tonnage.	Parcels Horses and Dogs.	Cattle, Sheep, and Pigs.	Passengers.	Season-tickets.	Cost of Construction.	Net Revenue.	Rate of Interest.
		£	£			No.	No.	No.	No.	£	£	£ s. d.
1884-85	1,477	1,045,712	690,026	65-99	1,749,856	347,425	729,528	3,232,886	8,999	11,810,194	355,686	3 0 3
1885-86	1,613	1,047,419	690,340	65-91	1,823,767	349,428	858,662	3,362,266	10,717	12,472,814	357,078	2 17 3
1886-87	1,727	998,768	699,072	69-99	1,747,754	372,397	942,017	3,426,403	11,821	13,017,567	299,696	2 6 0
1887-88	1,758	994,843	687,328	69-09	1,735,762	399,109	940,209	3,451,850	11,518	13,352,978	307,515	2 6 0
1888-89	1,777	997,615	647,045	64-86	1,920,431	399,056	919,392	3,132,803	11,817	13,472,837	350,570	2 12 0
1889-90	1,809	1,095,570	682,787	62-32	2,073,955	405,838	1,068,575	3,376,459	12,311	13,899,955	412,782	2 19 5
1890-91	1,842	1,121,701	700,703	62-47	2,086,011	413,074	1,348,364	3,433,629	13,881	14,278,586	420,998	2 18 11
1891-92	1,869	1,115,432	706,517	63-34	2,066,791	430,216	1,153,501	3,555,764	16,341	14,656,691	408,914	2 15 9
1892-93	1,886	1,181,522	732,142	61-97	2,193,330	460,383	1,393,457	3,759,044	16,504	14,733,120	449,380	3 1 0
1893-94	1,948	1,172,793	735,359	62-70	2,060,645	486,787	1,433,679	3,972,701	17,226	15,137,036	437,424	2 17 9

For the current year, ending 31st March, 1895, the revenue will also suffer from the diminished grain yield and from a less area being put under crop than formerly. The low prices are so discouraging that the farming districts in the Middle Island are in a transition state from grain cropping to grass ; and, while the low prices rule, the tendency will be to crop only as much as is necessary to provide winter-feed and to renew pastures.

This should result in an increase of wool, live-stock, and dairy produce ; but, as the yield in weight per acre of these products is very much less than grain, the deficit in railway traffic, as regards area for area, will not be made up. There is, however, some compensation in the extension of settlement, and the improvements which are going on from year to year. This is notably the case in the North Island, especially in the Taranaki, Hawke's Bay, and Wellington Provincial Districts, and for the Middle Island in Southland. During the last six years the railway returns from some of these districts have nearly doubled.

The fruit industry is attaining considerable dimensions. From the Teviot District, Otago, last year there were forwarded by horse-wagons to Lawrence Railway-station—a distance of forty to fifty miles by road—no less than 326 tons of green fruit for the Dunedin market, or about double the quantity for the previous year. The orchards are all on small holdings of a few acres each, and the above quantity was grown on an aggregate area of about 100 acres. The total weight of fruit carried to Dunedin last year was 500 tons. On the Auckland Section over 400 tons were carried from country stations to Auckland. There is considerable scope for the fruit industry in overtaking the colony's wants ; and still more if the business of drying and canning for export were established.

CONDITION OF LINES AND APPLIANCES.

From the reports of the Chief Engineer and Locomotive Superintendent, in the Appendix, it will be seen that the permanent-way and rolling-stock are being kept in good order and repair. The work of the two departments controlled by these officers result in the improvement of the railway property, the one by the construction of heavier and more powerful engines, and the other by strengthening the bridges and lines to carry heavier trains, so conducing to economy in working. The cost of these operations, and the providing and relaying of the main lines with heavier steel rails, is borne out of the vote for working-expenses, although a portion of it might fairly be charged to Capital Account.

The damage done to the lines by floods and slips has been unusually heavy during the year. The washing away of several spans of the Waipawa Bridge in