

Grain decreased 13,857 tons. This is explained by a good deal of grain being held by farmers in anticipation of higher prices, and also that early in the season heavy winds in Canterbury unfortunately did much damage at a critical time.

All other branches of the goods business show substantial increases.

As a result of the very large reductions in the sheep rates, we have carried 319,791 more sheep than last year. Pigs give an increase of 10,054; chaff and lime of 16,288 tons; timber of 14,554 tons; minerals of 20,742 tons; merchandise of 11,942 tons.

In consequence of the reduced rates for road-metal, public bodies have taken 10,881 tons, as against 7,548 tons last year.

The remarkable way in which the goods traffic keeps up bears evidence of the wonderful manner in which the colonists adapt themselves to the varying conditions under which trade is in these modern days carried on.

Return 29 gives a list of the reductions in freight charges during the past year.

EXPENDITURE.

The expenditure has been,—

In the Traffic Department	...	...	...	...	£207,253
In the Locomotive Department	...	...	...	...	240,361
In the Maintenance Department	...	...	...	...	282,593
In the Management Department	...	...	...	...	37,979
A total of					768,186
This amount was reduced by credit recoveries by					16,818
Leaving a net expenditure for 1895-96 of					751,368
As compared with last year, 1894-95					732,160

Or 63·51 per cent. of the revenue, against 63·62 last year.

The Government has decided to insure the casual hands employed by the State railways at port stations. This will secure to men disabled by accident a sum of £1 per week for a period of twenty-six weeks, with £50 at death from accident. The premiums for this insurance will be a charge against the railway revenue.

For the comfort and convenience of lady-passengers, female waiting-room attendants have been appointed at the four chief centres.

FUTURE OF OUR RAILWAYS.

I estimate the revenue for current year at £1,200,000, and the expenditure at £762,000. The revenue results for current year, so far as at present ascertained, give every reason to believe that these anticipations will be realised. At the present time the Department is mainly concerned in providing additional and more powerful locomotives, more carriages and wagons, to carry on the increasing business in an economical manner. With expanding traffic increased accommodation must be provided, and this factor cannot be lost sight of whenever reductions in rates are in contemplation. A large increase in the capital charges for goods-sheds, sidings, stations, engines, carriages, and trucks, means more interest to pay, and more expenditure in upkeep. For the provision of additional rolling-stock and machinery during the current year £64,743 is required, and for increased accommodation at stations £26,669: a total of £91,412, for which Parliament will be asked to provide. To meet the public demands for faster and better train-services provision will have to be made to complete the relaying of the main lines with heavier rails, and for strengthening the structures in accordance with the locomotive requirements. The extended use of safety appliances, telegraphs, and signals will be necessitated if the New Zealand railways are to keep pace with modern requirements.

The Department is continually making provision in this direction so far as means will allow, but is much restricted for want of funds. In order to adopt a comprehensive scheme in the direction indicated a sum of money should be set apart for expenditure over a given number of years.