

The head office expenditure remains stationary, but the cost of district offices has increased to the extent of nearly £1,000; the increased work having called for additional supervision and clerical assistance.

4. EXPENDITURE FOR ADDITIONS AND IMPROVEMENTS TO OPEN LINES CHARGED TO CAPITAL ACCOUNT.

As previously stated, £64,717 has been expended on this account.

Orders were given for the building of four powerful locomotives, thirty-two long bogie passenger carriages, two brake vans, six horse boxes, five cattle trucks, ten covered goods wagons, 185 high-side wagons, eleven 30 ft. high-side bogie trucks, twenty 30 ft. flat bogie wagons, two frozen-meat trucks, and twenty-five ballast hopper wagons. On the 31st March, 1897, £32,816 17s. 6d. had been expended on this work. Seventeen cars and ninety-five wagons have been completed, and the balance is in course of construction.

In addition to the above, £2,300 has been expended on the compressed gas car-lighting plant for the South Island, £950 for new machinery for the Railway workshops, and £3,860 10s. 2d. for materials for rolling-stock under construction.

£24,789 8s. has also been expended during the year on additions to the siding accommodation, station buildings, dwellings, platforms, signals, loading-banks, sheep- and cattle-yards; car and wagon shop, Petone; Port Chalmers wharves; doubling of the line between Green Lane and Ellerslie, and many other works of a less important character. (See Return No. 7.)

5. MIDLAND RAILWAY—RESULTS OF WORKING.

	£	s.	d.
The revenue for the year was	17,768	8	8
As compared with the period from the 27th May, 1895, to the 31st March, 1896	13,205	1	9
The expenditure was	14,885	4	6
As compared with the period from the 27th May, 1895, to the 31st March, 1896	8,831	4	5

The ratio of expenditure to receipts this year is 83·77, as against 66·88 last year.

The very heavy expenditure, as compared with last year, has been incurred on account of arrears of work in maintenance of the lines, of flood damages, and painting the iron bridges. The expenditure for maintenance is not likely to fall off for some time to come, as a good deal of work has still to be overtaken.

6. CONCLUDING REMARKS.

I estimate the revenue for the current year at £1,275,000, and the expenditure at £820,000.

During the year a number of alterations have been made in the fares and charges, many of which are of an experimental character. These are fully set forth in Return No. 32. In accordance with the forecast contained in my last Statement, the Government has decided to reduce the classified rates for frozen meat, lime, firewood, chaff, and a number of other articles as from 1st October next.

Eight persons were killed on the railways during the year: six owing to their own want of caution, and two when trespassing. The New Zealand record for safe working is a unique one, and bears evidence of the intelligence and care exercised by all sections of the staff.

Great difficulty has been experienced in meeting the public demands on account of the deficiency of rolling-stock, and very general complaints have been received both from passengers and traders on this account. It must be manifest that, with the remarkable growth in the passenger and goods business now taking place, and which from all appearances is likely to continue, if not to develop in a still more remarkable manner in the immediate future, considerable sums will have to be spent on additional locomotives, carriages, wagons, and safety appliances. The successful carrying of the traffic is seriously interfered with owing to the want of funds necessary for supplying needful facilities. New Zealand should not be behind the times in the matter of her railways.