

2. EARNINGS.

Notwithstanding the largely increased railway business of the previous financial year, the receipts for 1897-98 again show a very large increase, amounting to £89,850, as compared with 1896-97, which in turn showed an increase of £103,117 over 1895-96. My estimate for 1897-98 was £1,275,000, so that the actual receipts have exceeded the estimate by £101,008. Such phenomenal results following each other for two years in succession have led to urgent requisitions for additional rolling-stock, which the resources possessed by the Department have so far been unable to satisfy.

The receipts per train mile are about the same as last year—viz., 7s. 6d. this year and 7s. 6½d. last year.

4,672,264 passengers have travelled, or 232,877 more than last year; 5,591 more season tickets have been sold, and if to the number of passengers are added the estimated number of journeys travelled by season-ticket holders, it is calculated that over seven millions of passengers have used the State railways during the past year.

The excursion fares (first-class, 2d. per mile; second-class, 1d. per mile) granted on public holidays and special occasions still continue to give great public satisfaction. (See Return No. 11.)

Excursionists to the number of 530,006 have been carried, producing a revenue of £86,392, an increase over the previous year of 73,290 excursionists and £17,337. The revenue resulting from school, factory, and friendly society excursions remains practically stationary. The results in the South Island indicate a slight falling off. The number of adults travelling by many school excursions has been out of all proportion to the number of school children, and, in order to conserve the revenue, stringent regulations to meet such cases have been gazetted.

A careful analysis of the passenger business goes to show that excursion traffic should, in order to give the best financial results, be restricted to public holidays, upon which the masses are at leisure. The indiscriminate issue of excursion tickets has a tendency to increase the excursion business at the expense of the ordinary passenger traffic, thereby reducing the receipts from ordinary passengers without any corresponding increase in the receipts from excursion passengers.

The new parcels rates have proved very satisfactory in developing this branch of the business, 41,168 more parcels having been carried than during the previous year.

The total revenue derived from the Coaching Department amounted to £494,302, as compared with £468,245 last year: an increase of £26,057.

In the Goods Department 2,628,746 tons, including equivalent weight for live-stock, have been carried, producing a revenue of £881,706, an increase of 167,619 tons and £63,792 over last year.

The number of sheep carried still continues to increase in a remarkable manner, the number carried during the last four years being: 1894-95, 1,519,921; 1895-96, 1,839,712; 1896-97, 1,964,110; 1897-98, 2,356,595. These results, giving an increase of 55 per cent., fully justify the Government in the large reductions made in the rates for this description of traffic.

Cattle, calves, sheep, chaff, lime, wool, firewood, timber, grain, merchandise, and minerals all give increased tonnage, the principal increases being in timber and merchandise. Pigs alone show a decrease.

A large number of reductions in fares and charges have been effected, as set forth in Return No. 30. Among these may be mentioned the reduction of the frozen-meat rates, and the further reduction of the rates for lime, chaff, firewood, scrap-iron, and other articles of low value. These reductions, on the basis of the existing traffic, are estimated to involve a loss of revenue amounting to £12,000 per annum.

The results following the abolition of the stage system on the Whangarei Section have given abundant evidence of the wisdom of that proceeding, the revenue from ordinary passengers having increased from £960 in 1896-97 to £1,327 in 1897-98.