

Collisions occurred at Hindon on the 21st April, at Port Chalmers on the 7th May, at Remuera on the 21st August, and at Mataura on the 13th December. The first resulted from train men disregarding instructions *re* crossing, two others through failure to observe signals, and the last through points being wrongly set by a porter at Mataura. Inquiries were held into each case, and suitable action was taken at the conclusion of same. I am happy to say that these accidents have been attended by no loss of life. Report on several of the accidents was presented to the House during the last session (D.—6, 1902).

The phenomenal expansion of traffic which has taken place during the past eight years will be readily understood by a perusal of the following figures, which give the traffic and percentage of increase under the various headings for the year ended the 31st March last, as compared with the traffic for the year ended 31st March, 1895:—

Comparison of the railway traffic and rolling-stock accommodation in 1895 and 1903:—

	31st March, 1895.	31st March, 1903.	Increase.	Per cent. of Increase.
Passengers (number) ...	3,905,578	7,575,390	3,669,812	93
Season tickets (number) ...	28,623	118,431	89,808	314
Parcels " ...	444,981	731,762	286,781	64
Horses " ...	11,185	12,737	1,552	14
Carriages " ...	750	1,646	896	119
Dogs " ...	23,517	34,202	10,685	45
Drays " ...	705	1,921	1,216	172
Cattle " ...	40,890	102,461	61,571	151
Sheep " ...	1,519,921	3,821,333	2,301,412	151
Pigs " ...	43,292	61,844	18,552	43
Chaff, lime (tons) ...	36,972	121,092	84,120	228
Wool " ...	103,328	116,309	12,981	13
Firewood " ...	85,102	100,498	15,396	18
Timber " ...	198,578	436,008	237,430	120
Grain " ...	388,556	718,376	329,820	85
Merchandise " ...	377,938	633,685	255,747	68
Minerals " ...	857,917	1,604,426	746,509	87
Total tonnage ...	2,048,391	3,730,394	1,682,003	82
Total revenue ...	£1,150,851	£1,974,038	£823,187	72
Locomotives (number) ...	269	372	103	38
" tractive power (lb.) ...	1,756,178	3,499,459	1,743,281	99
Passenger cars (number) ...	498	751	253	51
Passenger cars, seating accommodation ...	17,455	28,844	11,389	65
Brake-vans (number) ...	204	283	79	39
Sheep-trucks " ...	390	719	329	84
Total trucks, all classes (number) ...	8,264	12,709	4,445	54
Truck-carrying capacity (tons) ...	50,861	89,057	38,196	75
Train mileage run ...	3,221,620	5,443,333	2,221,713	69

A study of the foregoing figures must convince even the most sceptical of the healthy and prosperous condition of the colony, and it will be at once apparent that, if our railways are to keep pace with the rapidly increasing demands for quick, safe, and cheap transport of both the people and commerce of the country, ample provision must continue to be made to enable the relaying of the track and strengthening of bridges being pushed on at a greatly increased rate, in order that heavier engines and trains may be run on all the principal lines. Increasing the load of trains means economy and efficiency. These desiderata cannot, however, be secured until the heaviest type of engines can be used on any portion of the main trunk and principal branch lines, and until this can be done the ratio of working expenses to earnings must necessarily be high.

I anticipate that the existing satisfactory commercial condition of the colony will be maintained throughout the financial year, and therefore estimate the revenue for the year ending 31st March, 1904, at £2,000,000, and the expenditure at £1,360,000.

The usual reports and returns are attached hereto.