

Mr. T. Ronayne, who filled the position of General Manager since 1895, voluntarily retired on the 31st October last. Mr. E. H. Hiley, new General Manager, assumed control of the railways on the 1st November, after having inspected the principal sections in company with Mr. Ronayne. Mr. Hiley's report on the New Zealand railways, which is very comprehensive and contains a number of important proposals, is attached hereto, and I commend it to the careful perusal of honourable members. The report of Mr. Ronayne (late General Manager), covering the period the 1st April to the 31st October, together with the report of Mr. John Henry Lowe, C.E., M.I.C.E., on the condition of the New Zealand railways, has also been printed for the information of the House.

A number of very important proposals, involving an expenditure of £3,250,000 for the provision of new stations at Auckland, Wellington, and Christchurch; construction of new line from Auckland southwards to connect with the Main Trunk line at Westfield; the duplication of the suburban lines—Newmarket to New Lynn, and Penrose southwards; also duplication of the Lyttelton Tunnel; reorganization of station-yards at Palmerston North, Hastings, Addington, and Timaru; erection of new workshop for engine-building purposes at Newmarket; extension of Petone Workshops; provision of level-crossing alarms; importation of locomotives from abroad; and grade-easements and bridge-strengthening are contained in Mr. Hiley's report. There is no doubt in my mind that if the railway business of the Dominion is to be efficiently carried out and the Department satisfactorily performs its functions in dealing with the commerce of the country, considerable additions must be made to the existing railway facilities. The amount involved in providing new lines, grade-easements, bridge-strengthening, and new locomotives will be remunerative for all time, and give a handsome return on the investment. The new stations and improvements to station-yards are essential to the economical and efficient conduct of the business, and may also be regarded as remunerative expenditure. The signalling and interlocking expenditure is essential in the interests of public safety, and the workshops additions are for increasing the output of rolling-stock and enabling the Department to avoid the necessity of going abroad for plant in the near future.

The following statement shows a brief comparison of the traffic and the rolling-stock for dealing therewith on the 31st March, 1907, with that at the 31st March of the present year:—

	31st March, 1907.	31st March, 1914.	Increase.	Per Cent. of Increase.
Passengers (number) ...	9,600,786	13,355,893	3,755,107	39
Season tickets " ...	165,504	287,037	121,533	73
Parcels " ...	929,929	1,392,814	462,885	50
Horses " ...	17,770	21,778	4,008	23
Carriages " ...	2,440	2,755	315	13
Dogs " ...	42,081	54,383	12,302	29
Drays " ...	2,496	3,090	594	24
Cattle " ...	133,031	254,291	121,260	91
Sheep " ...	4,661,001	6,860,495	2,199,494	48
Pigs " ...	115,222	145,773	30,551	27
Chaff, lime (tons) ...	168,316	235,980	67,664	40
Wool " ...	128,161	155,709	27,548	22
Firewood " ...	109,236	117,038	7,802	7
Timber " ...	567,835	676,858	109,023	19
Grain " ...	770,706	1,050,395	279,689	36
Merchandise " ...	712,399	873,746	161,347	23
Minerals " ...	2,135,446	2,551,614	416,168	19
Total tonnage ...	4,592,099	5,661,340	1,069,241	24
Total revenue ...	£2,624,600	£4,043,328	£1,418,728	54
Locomotives (number) ...	398	534	136	34
" tractive power (lb.) ...	3,993,028	6,754,663	2,761,635	69
Passenger-cars (number) ...	966	1,363	397	41
Passenger-cars, seating-accommodation ...	40,470	53,819	13,349	33
Brake-vans (number) ...	326	406	80	24
Sheep-wagons (number) ...	877	1,481	604	69
Total wagons, all classes (number) ...	14,279	19,845	5,566	39
Wagon carrying-capacity (tons) ...	107,585	166,737	59,152	55
Train-mileage run... ..	6,755,454	9,319,268	2,563,814	38

I estimate that the revenue for the year ending 31st March, 1915, will be £4,250,000, and the expenditure £3,030,000.

I desire to place on record my sincere appreciation of the loyal and valuable services rendered by the railway staff during the recent labour troubles.