

Honorable members will see, on reference to the Tables, that the railways now worked by the Public Works Department have produced the following results during the past year :—

	Receipts.			Expenditure.		
	£	s.	d.	£	s.	d.
The Kaipara Railway ... ..	2,497	18	9	2,638	16	3
Auckland-Mercer ... ..	22,487	16	10	19,416	18	1
Napier-Waipukurau ... ..	12,417	2	4	7,902	12	0
Waitara-New Plymouth ... ..	1,833	12	3	2,190	12	0
Wellington and Upper Hutt ... ..	9,429	5	3	6,293	10	2
Picton and Blenheim ... ..	3,516	3	2	3,083	9	9
Nelson and Foxhill ... ..	2,531	4	1	2,303	17	9
Brunner-Greymouth ... ..	1,063	8	8	883	11	8
<b>Making a total of receipts for the year of ...</b>	<b>55,776</b>	<b>11</b>	<b>4</b>			
<b>Expenditure for the year of ... ..</b>				<b>44,713</b>	<b>7</b>	<b>8</b>
<b>Leaving a balance of ... ..</b>				<b>£11,063</b>	<b>3</b>	<b>8</b>

The permanent rolling-stock has been kept up in thorough repair, and, indeed, large improvements have been made in most of them, so that they are really enhanced in value during the past year.

The receipts on the Foxton Tramway have been £9,940 12s. 10d. and the expenditure, £10,878 5s. 5d. The circumstances of the tramway have, during the past year, been altogether abnormal; but it is now paying its expenses, and promises to be remunerative.

I have added a statement showing the receipts and expenditure on the railways in the Provinces of Canterbury and Otago, from which it will be seen that the receipts on those in Canterbury for the year ending 31st March, were £185,806 17s. 5d.; and on those in Otago for the same period, £90,790 18s., or a total of £276,597 15s. 5d. The expenditure in Canterbury during the same period was £124,513 8s. 10d., and in Otago £66,852 2s. 2d., or a total of £191,365 11s.; leaving a credit balance of £85,232 4s. 5d.

The traffic on the Auckland and Mercer Railway has not been nearly as large as was anticipated. Great objection has been taken locally to the rates charged on this line, but it is impossible they can be lowered if the line is to be worked so as to leave any margin above working expenses; and, indeed, there is no reason why they should be reduced, as they are lower than on many other lines in the colony, and much lower than the ordinary average rates on railways in England.

I will only add, in connection with this subject, that there is a very prevalent opinion through the country that upon the railways which have been constructed the public ought to have the same amount of accommodation as on the railways in England or the adjoining colonies, where they have cost so much more; and the public consequently complain of the rates charged in different parts of the colony. Now, it is a fact that the rates charged in New Zealand are generally below those charged in England, and only in Otago are they as high as the rates charged in Victoria.

If the accommodation which is now asked for in various parts of the colony where the lines are open for traffic, and which has been to a great extent given in Canterbury, is to be as a rule acceded to, then the railways will cost much more, and the rates for carriage will have to be generally raised.

It should, in any case, be the aim of the Government to equalize the rates throughout the colony as much as possible; but I see no necessity that they should be raised above the rates now prevailing in the southern part of the Middle Island.

#### SUMMARY OF EXPENDITURE.

The expenditure under the Immigration and Public Works Acts on the three principal classes of works, in each Island, is as follows :—