

Then there have been granted in the past private sidings in every direction, and to an extent unheard of, I believe, on any other railways in the world. These sidings now number 251, and have the effect of causing a very large additional quantity of rolling-stock to be kept up, and also make the average load per wagon very much smaller than it otherwise would be, besides adding fully £10,000 annually to the cost of shunting, as well as the consequent extra injury to the rolling-stock.

For the Post Office Department, work has been done during the year to the value of about £19,000, and for various other departments, and especially for the Education Department, free tickets have been issued, and reductions made in the rates, to the value of about £9,000, all of which would be credited to the revenue if the railways were in the hands of private companies. These items alone amount to fully 5s. per cent. on the total cost of railway construction.

Much has been said lately as to the prospects of the railway revenue for the current year, and a considerable amount of unnecessary alarm has been created by statements as to probable decreases in revenue made both in this House and out of it.

We have now before us the actual results of the first four months of the year, and although the anticipation expressed in my statement last year, and again in the Financial Statement of my honourable colleague the Colonial Treasurer this session, that there would be a substantial increase in the receipts during the current year, will not be realized, still, considering the depression which has existed all over the colony, and more especially in the Middle Island, I think the result of the year's traffic will not be unsatisfactory.

It is true that a great falling-off in the quantity of grain carried has taken place during the four months ending the 31st July; but it is equally true, and beyond doubt, that the amount of grain now along the lines which has at some time to be carried, is much larger than usual at this period of the year. While it must be admitted therefore that some reduction has taken place in receipts, it is also a fact that a very large reduction in expenditure is at the same time being effected, and this I shall be prepared to explain in detail when the Estimates are before the House.

Comparing the receipts since the date of the last published returns with the same period last year, there is therefore no reason to doubt that the estimates of net revenue from the railways recently brought down by the Hon. the Colonial Treasurer will be fully realized.

#### EXCURSION TRAINS.

Although some small attempts had been made in previous years to provide cheap excursion trains on some of the lines, they were made on such a limited scale that they did not produce much revenue to the railways, and the season was so far advanced by the time I had an opportunity of looking into the matter that I could not get this traffic organized to such an extent as I had wished.

It will be seen from the General Manager's report, however, that no less than 46,536 passengers availed themselves of these trains during last season, and if present instructions are carried out I hope that fully double this number will be carried during next season.

Independently of the fact that these trains give an opportunity of travelling to a very large class of the public who could not otherwise afford it, they will, I hope, so accustom the public to travel, that a general reduction of the passenger fares may be found possible within a reasonable time.

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Before leaving the subject of the railways I have to state that I have seen no reason to alter my opinion that the best method of managing them is by Boards of Commissioners.

I have taken a considerable amount of pains in preparing a Bill providing for the appointment of these Boards, and the measure of success or otherwise which will attend their labours, always providing that due care is exercised in selecting