

The traffic for the last twelve years has been as follows:—

Year.	Miles.	Revenue.	Expenditure.	Tonnage.	Parcels, &c.	Cattle, Sheep, &c.	Passengers.	Season-tickets.
		£	£		No.	No.	No.	No.
79-80	1,172	762,573	580,010	1,108,108	180,331	285,209	2,967,090	5,077
80-81	1,277	836,454	521,957	1,377,783	286,865	300,704	2,849,561	6,499
81-82	1,319	892,026	523,099	1,437,714	316,611	343,751	2,911,477	7,207
82-83	1,358	953,347	592,821	1,564,793	341,186	477,075	3,283,378	8,621
83-84	1,396	961,304	655,990	1,700,040	359,896	686,287	3,272,644	9,036
84-85	1,477	1,045,712	690,026	1,749,856	347,425	729,528	3,232,886	8,999
85-86	1,613	1,047,419	690,340	1,823,767	349,423	858,662	3,362,266	10,717
86-87	1,727	998,768	699,072	1,747,754	372,397	942,017	3,426,403	11,821
87-88	1,758	994,843	687,328	1,735,762	399,109	940,209	3,451,850	11,518
88-89	1,777	997,615	647,045	1,920,431	399,056	919,392	3,132,803	11,817
89-90	1,809	1,095,570	682,787	2,073,955	405,838	1,068,575	3,376,459	12,311
90-91	1,842	1,121,701	700,703	2,086,011	413,074	1,348,364	3,433,629	13,881

CONDITION OF LINES AND APPLIANCES.

The lines, with all rolling-stock and appliances, have been maintained in good order. Various additions and improvements urgently needed have been made thereto from working-expenses. The plant has improved in value and efficiency, and renewals have been effected with heavier rails and more permanent materials.

ADDITIONS TO ACCOMMODATION AND APPLIANCES.

We regret that the representations made in our last annual report and on various other occasions have not met with such response as the importance of the interests concerned requires.

The funds provided from capital have been insufficient to meet the reasonable demands of the public for increased station accommodation and rolling-stock, and to extend the appliances and shop-room necessary for the economical and efficient maintenance of the railways without resorting to outside markets for the execution of work.

It would appear to be preferable to make adequate provision for additions to those lines where the traffic and business justify and require it, in preference to expending funds in extending railways which cannot at present be expected to pay any interest on capital.

For the present year the least provision which should be made to meet liabilities and pressing wants is £40,000.

The practice of late years has been to make as many miles of road as possible, at the same time omitting to provide sufficient funds for the additional appliances and improvements needed to deal properly with the traffic and maintenance work arising therefrom, and from the natural growth of business throughout the system. The public is thus liable to suffer for the want of reasonable accommodation, while at the same time many thousands of pounds of capital are lying idle on extensions of railways which are almost or entirely unused.

FUTURE PROSPECTS.

The completion of the Otago Central to Middlemarch, the extensions of the Blenheim to Awatere, the Rotorua, the Helensville North, the Catlin's River, and the Greymouth to Hokitika railways, will add not short of a million of money to the capital account, on which no interest is likely to be earned in the immediate future. While these lines will benefit the districts they serve, it is doubtful if they will pay the expenses of working, so that, although the colony on the whole is fairly prosperous, we should not expect the net result of working to improve much under the circumstances.

Should the Manawatu Company's line be acquired by the colony, it will conduce to the more profitable and convenient working of the Government lines comprised between Taranaki, Napier, and Wellington.

For the financial year ending the 31st March, 1892, we have estimated for a net revenue of £414,000 only. As there will be no Easter traffic during that year, and the grain and flax traffic will be smaller than usual, and extensive reductions in rates and fares have been made in pursuance of section 20 of the Government Railways Act, we think this is as large a sum as should be estimated for.

GENERAL.

Acting in accordance with the policy indicated in last year's report—namely, to facilitate traffic in natural productions, and to give cheaper and better facilities for travelling, to such an extent as could be done without materially disturbing the finances of the colony—we have reduced a large number of rates, the most important of which are those affecting native brown coals and firewood.