

Whangarei, Auckland, Wellington, and Hurunui-Bluff Sections give less favourable results.

On the whole the traffic results of the year cannot be regarded as satisfactory. The gross revenue has declined £6,270, while the net revenue has decreased by no less than £12,084, and the rate of interest earned has decreased by 3s. 2d. per cent. These unfavourable results are more apparent on the Hurunui-Bluff Section than on the smaller sections. On the Hurunui-Bluff Section the gross revenue has decreased by £42,799, the net revenue has decreased by £38,623, the rate of interest earned has decreased 12s. 1d. per cent., while the cost of working has increased 3·36 per cent., the total number of passengers carried has decreased 24,885, and the total tonnage carried has decreased 88,036 tons, and these results have accrued notwithstanding that the length of line embraced in the system has increased by twenty-seven miles. Last year also a sum of £1,075 was charged to the Miscellaneous Services Vote of the Colonial Secretary's Department for compassionate allowances to sundry persons for injuries received upon the railways, which amount should properly have been debited to railway working expenses, and the sum of £14,000, derived from the sale of certain surplus rolling-stock to the Government of Western Australia, which I stated last year it was proposed to credit to the allocation for additions to open lines in the Public Works Fund, was paid to the credit of the Railway Commissioners' vote for the working expenses of the railways instead, thus making the working expenses of the railways appear to be £14,000 less than they actually were.

These very unfavourable results, notwithstanding the increased prosperity and increasing population of the colony, appear to the Government to be so disquieting as to require some special remedy. It has therefore been determined to ask for an amendment of the law under which our working railways are at present administered, and it is hoped that if the Bill for this purpose now before the House becomes law very much better results may shortly be apparent.

The funds voted last year for additions to open lines proved to be more than sufficient for the requirements of the year, a balance of £12,612 remaining unexpended on 31st March last. The Railway Commissioners estimate that this amount will be sufficient for the requirements of the current year, and a vote for that sum is proposed accordingly.

The question of the administration and control of the loan expenditure on works on open lines, to which I made special reference last year, and with regard to which proposals were made to the House in the Public Works Appropriation Bill of last session, but ultimately withdrawn, still remains in an unsatisfactory position, but, while I still adhere to the opinion expressed in my Statement of last year, that all expenditure of loan-moneys should be under the sole control of Government, still, seeing that the term for which the Commissioners were appointed will expire in January 1894, I do not now intend to ask for any alteration in the law in this respect.

The friction which has unfortunately existed for some time past between the Commissioners and their employés has not altogether abated. The action of the Commissioners in refusing to recognise their employés unions is to some extent the cause of the discontent that exists, and such action, in my opinion, really amounts to an interference with the liberties of the subject. In the Mother country, employers of labour, whether railway companies or dock owners, &c., where they have as many or more men employed than our Railway Commissioners have, have not considered it advisable to restrain their men from joining or forming unions, and, so long as the Railway Commissioners maintain their present hostile attitude towards unionism, so long will their employés have ground for complaint.

A draft Bill for a scheme of insurance has been circulated by the Commissioners amongst the employés, and a largely-signed petition has been received in favour of its adoption. That necessity exists for provision being made all must admit, but, at the same time, it must also be admitted that, as regards provision against sickness, the Friendly Societies meet what is required. Accidents and provision for old age should, however, be dealt with under a general scheme applicable to all Government employés.