

expended on extensions of railways which at present bring no additional traffic or revenue, while the expenses are increased by the additional length worked

The estimated revenue for the year was £1,114,000, and the appropriations for working amounted to £707,905, leaving a net estimated revenue of £406,095, nearly £3,000 less than what has actually been realised.

The passenger traffic, both in ordinary and season ticket-holders, has increased in a marked manner, although the year's statistics do not contain any Easter-holiday traffic. The passenger receipts have increased by £11,024.

The traffic for the last thirteen 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	349 428	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
91-92	1 869	1 115 432	706,517	2 066,791	430,216	1 153,501	3,555 764	16,341

For the coming year the revenue is estimated at £1,140,000, and the expenses at £717,000, for 1,870 miles of line. A larger traffic and revenue are expected on account of the plentiful harvest and the general progress of the colony

CONDITION OF LINES AND APPLIANCES.

The character and capacity of the lines and appliances have, as hitherto, been improved during maintenance from working-expenses.

Upon an application by the Government, we sold to the Government of Western Australia three engines and one hundred wagons. These were renewed in the usual course, and the cost has been charged to working-expenses. The proceeds of the sale have been placed to the credit of the working railways vote in accordance with the usual practice, and in terms of the Revenues Act

The many improvements made from time to time in the road, structures, and appliances from working-expenses have added to the capacity of the railways, and have led to economies in working

The rebuilding of locomotives has during this year for the first time been carried on upon a large scale. In this process, engines of a more powerful type, and fitted with modern improvements, replace those dispensed with. The responsibilities and work in connection with this branch of the service have on this account very much increased. The funds placed at the Commissioners' disposal for the extension of shops and machinery have been of great advantage in procuring facilities for carrying on this class of work.

GENERAL.

There is a general public sentiment abroad that the railways should pay a larger rate of interest on the cost of construction than is now done. It should, however, be borne in mind that in making many of the lines the anticipated advantage was the settlement of the country rather than direct returns from the railways themselves.

Under this somewhat vague special plea, capital has in many instances been expended by the colony on undertakings unlikely to pay any interest in the immediate future, and in some cases in ways that are prejudicial to efficient working, or which are hurtful to the revenue of the previous existing railways.

The line now being made from Te Aroha to Grahamstown is a case in point. It opens up practically no new country and no new markets, it is likely to injuriously affect the present feeble revenue of the adjacent railways, it will add largely to the expenses of working. Not only is no interest on the capital spent