

service members who by reason of experience and ability are especially fitted for such positions. I believe that the classification scheme has so far worked well, and that its abolition would be opposed by the staff as a whole.

Telegraph classes for training purposes have during the year been established at the principal centres. These classes are open to all members of Division I., and Class I., Division II.

On the 11th March last a rear collision took place at Rakaiia, in which four persons were killed and a considerable number injured, some very seriously. The collision took place between two excursion trains; the second excursion train ran into the rear of the first excursion, which was standing at the platform waiting the arrival of the ordinary afternoon train from Christchurch to Ashburton. The driver of the second excursion train has been tried for manslaughter and acquitted. A Royal Commission was appointed to investigate, and has, in addition to reporting on the causes of the accident, made valuable suggestions, which will receive the early attention of the Government. On behalf of the Government, I take this opportunity of expressing my deep regrets to the bereaved and injured. Hitherto the New Zealand railways have been remarkably free from accidents of so serious a nature, and I regret that our previous unblemished record should have been thus marred.

## 2. EARNINGS.

Notwithstanding the largely increased railway business of the previous financial year, the receipts for 1898-99 show a very large increase, amounting to £93,657, as compared with 1897-98, which in turn showed an increase of £89,850 as compared with 1896-97. My estimate for 1898-99 was £1,370,000, so that the actual receipts have exceeded the estimate by £99,665. As a set-off, however, I would call attention to the fact that the financial year ending 31st March last contained two Easter Thursdays and two Good Fridays.

The receipts per train-mile continue very steady—viz., 7s. 5d., 1898-99; 7s. 6d., 1897-98; and 7s. 6½d., 1896-97.

The number of passengers (exclusive of season-ticket holders) who have travelled is 4,955,553, or 283,289 more than last year; 6,367 more season tickets have been sold. The revenue from passengers exceeds that of last year by £42,123. The number of passengers increased 6 per cent., and the revenue from passengers 9½ per cent. The receipts from ordinary passengers last year have shown remarkable buoyancy—indeed the rise in the passenger revenue is the most striking feature in the business of the year.

The excursion fares (first class 2d. per mile, and second class 1d. per mile) and the excursions for school-children, factories, and friendly societies continue to give excellent results. At these rates 574,173 tickets have been sold, producing a revenue of £91,010, a substantial increase of £4,618 on last year. (See Return No. 11.) At the earnest request of promoters, experiment after experiment has been tried with cheap excursion fares, the results in every case tending to show that great care is necessary to restrict the issue of cheap fares to days upon which all are at liberty to travel, otherwise additional expense is incurred and less revenue is received.

In the concluding portion of my Statement I shall allude to the advisability of adopting a reduced scale of fares for every-day travel as soon as the facilities are available and the revenue will permit.

The revenue derived from parcels, luggage, and mails was £66,418, as compared with £60,872 in the previous year, an increase of £5,546.

The new parcels scale of charges came into force on the 1st April, 1897, since which date nothing has been more encouraging than the remarkable increase in the parcels business, the increase in numbers for the past year being 58,379, and for the past two years, as compared with the two previous years, 175,029 in number and £14,470 in revenue. This indicates that a large and lucrative business may be cultivated in this direction, and at the same time the producer and consumer may be brought into more direct communication, to the benefit of each other.

In the Goods Department 2,744,441 tons, including equivalent weight for live-stock, have been carried, producing a revenue of £927,694, an increase of 115,695 tons and £45,988 over last year. The average distance goods are carried is gradually increasing. The tonnage has increased 4½ per cent. and the revenue 5½ per cent.