

followed New Zealand's humane action of 1898. It is gratifying now to record the fact that a similar measure has been introduced into the House of Commons.

WORKING RAILWAYS.

I am pleased to be able to place on record the fact that the traffic on the Railways during the past year has shown a very marked increase over that for any previous year. The year's business shows an increase of 219,254 passengers, 19,000 head of cattle, 6,685 pigs, 1,096,473 sheep, and an increased tonnage of 201,217 tons. The gross revenue, as given by the Railway Department, amounted to £1,974,038—an increase of £99,452 over the previous year. As showing the increase in the number of passengers and sheep carried, and the increase of revenue, since the railways were handed over by the Commissioners, the following comparative figures are very interesting:—

	31st March, 1895.	31st March, 1903.	Increase.
Passengers	3,905,578	7,575,390	3,669,812
Sheep	1,519,921	3,821,333	2,301,412
Revenue	£1,150,851	£1,974,038	£823,187

The Railways gave employment to no less than 8,875 men, and last year paid £3 6s. 1d. per cent. on the capital cost, £19,081,735.

The value of concessions in fares and freights made since the Government resumed control of the Railways amounted on 31st March, 1903, to £588,000.

The highly satisfactory condition of the Railway business is a matter for sincere congratulation, as it is undoubtedly one of the safest indications of the continued prosperity of the country.

I confidently anticipate that the satisfactory condition of the colony which has been so marked during the past ten years will continue for a very considerable time to come.

EDUCATION.

The past year has been marked by a great advance in the work of education in the colony, both in regard to the number of schools and institutions and pupils, and in regard to the extension of the field of operations. The progress has been more pronounced in respect to manual and technical education than in any other branch, the total number of recognised classes having increased from 425 at work at the end of 1901 to 911 at the end of 1902. Of the latter, 568 are classes for manual work in schools; 279 are technical classes, properly so called for adults, and 64 are continuation classes. The total number of classes is now 1,629.

The work is being taken up in the smaller as well as in the larger centres, and to an increasing extent in the country districts as well as in the towns. This entails a larger expenditure, not only for the capitation payable under the Manual and Technical Instruction Act, but in the form of grants for buildings and apparatus, and of such concessions as free railway passes.

The number of primary schools open has increased from 1,715 at end of 1901 to 1,754 at the end of 1902. It is especially evident that, owing to the spread of education and the rapid growth of settlement, the sum voted last year for new school buildings will not be sufficient to meet the needs for the current year, and it will consequently be necessary to take a more liberal vote for that purpose on the public-works estimates.

During the year a new departure has been made in the direction of providing free secondary and technical education for those boys and girls who are qualified to profit by it. The steps already taken include the granting of free tuition in secondary schools, and of free scholarships in technical schools on certain conditions.

The Government's scheme for free secondary education has been accepted by sixteen out of the twenty-five secondary schools of the colony. A few of the larger schools and one or two of the smaller have not yet seen their way to fall into line with the rest. Parliament will be asked to meet the contingency, and ere the year ends it is to be hoped all the secondary schools will throw open their doors to qualified pupils, and thus make the valuable endowments they possess of the greatest possible benefit to the community at large. The same end is attained in country places by the establishment of district high schools, the number of which is nearly sixty, as against the fifteen in existence two years ago.