

Riverton-Orepuki.—Six miles of this line from Riverton are now open, and the formation onwards from Orepuki is under contract. When it is finished, which will probably be about this time next year, there will be a continuous line from Makarewa Junction, upon the Invercargill-Kingston line, to Orepuki, thirty-six miles, with a branch to Wairio of twenty-two miles; and from Wairio to Nightcaps there is a railway constructed by the coal company, about two miles.

To sum up, honorable members will see that in the North Island no extension has been made of the trunk line from Te Awamutu southwards; but that the coal lines and the branch lines in the Waikato and at the Thames are being proceeded with as rapidly as possible; that the line from New Plymouth to Foxton is approaching completion; and that but little further progress has been made towards connecting Wellington and Napier. That in the Middle Island the trunk line will shortly be completed as far north as the Hurunui, and that fair progress has been made with the different branches under construction; while both in the North and South Islands a large additional expenditure is required to complete and properly equip the opened lines. It is a matter of regret to the Government that, so far, only one company has contracted to construct a railway under the Railways Construction Act of last year. But there is reason to believe that some slight amendment of the Act—to effect which a Bill has already passed its second reading in the other branch of the Legislature—will enable other companies to assist in the work of railway construction.

WORKING RAILWAYS.

The working of the opened lines during the past year shows good results, the increase in revenue being £55,572 against an increase of expenditure of only £1,142, whilst the tonnage carried shows an increase of 59,931 tons, and the number of passengers is 61,916 more than in the preceding year.

Return No. 9 attached to the report of the General Manager, which gives a comparison of revenue and expenditure for the three last financial years, will show honorable members the expansion of our railway business and its careful management. From this table it will be seen that whilst during the three years the increase of revenue is about 17 per cent. the decrease in expenditure is about 10 per cent., and this latter notwithstanding that there has been an extra length of one hundred and forty-seven miles to work and maintain. The true measure of the improvement is, however, found in the statement of the work done, which shows that although the increase of revenue is only 17 per cent. the tonnage moved has increased by about 30 per cent., and the parcels and live stock by about 80 per cent.

These facts are a substantial indication that the department has been dealing liberally with the rates; and, as a matter of fact, the reductions made in the rates in all parts of the colony have been large—the concessions made in the grain rate alone being estimated to benefit the producers to the extent of about £15,000 during the current year.

While the goods traffic, however, shows largely-increased commercial activity, the passenger traffic has not as yet entirely recovered from the heavy fall which took place during 1880–81; that having been the period of the greatest depression of railway traffic in the colony.

The passenger traffic is not, therefore, as great as previous results might have led us to expect, and this fact suggests that it is desirable to consider whether it might not be advantageous to reduce the fares, a subject which must receive attention at an early date. It will require, however, to be treated with caution. The passenger receipts for the year having been £361,705, it will readily be seen that a reduction in fares, if not followed by a corresponding increase in passengers, would considerably diminish the profit of the railways; the more so, because it would be necessary to make a very substantial reduction, in order to give the experiment any reasonable chance of success.

The total expenditure to the 31st March last upon railways, including the cost of the provincial railways taken over, is £10,974,000. Of this sum, it is estimated that £1,531,000 was not in a position to contribute to the revenue during the past year. The cost of the lines open for traffic was therefore £9,443,000, and the surplus of receipts over expenditure, £369,000, gave a return of £3 18s. 2d.