

The tables attached contain minute and varied information on points connected with the traffic revenue and expenses. It is to be regretted that prior to the reorganization effected during 1880–81 reliable and complete information was not compiled. Careful investigation of the records, 1879–80, enabled some particulars of that year's work to be fully stated, but it was not found possible to carry investigations further back. We are now, however, enabled to review six years' working. The results will doubtless be held to be favourable, while it should be at the same time remembered that the rates and fares as a whole have been materially lowered during the period under review, and accommodation and conveniences have been much improved and extended. At the same time the expenses of renewals have greatly increased, owing to the age of the lines. On the whole, the railways have greatly advanced in every way during the period referred to: the carriage and wagon stock has been largely added to and improved, station accommodation has been increased, the organization for working has been much improved, a complete system of traffic and statistical accounts has been perfected, the accounting system condensed and simplified, and the staff classified, and in every way the public is much better served than it was; while at the same time the cost of working has been very materially reduced, and the net revenue earned is larger.

Return No. 5 exhibits the traffic and the revenue derived therefrom in detail, compared with the previous year's figures.

The cheap excursions, which have during the past year been run on a scale not previously attempted, have been attended with success, some 46,536 passengers have been carried, giving a gross revenue of £6,111 14s. 9d.

The fares applying to these excursions have been especially framed to accommodate those classes of occasional travellers whose occupation and means do not admit of more extended journies, involving hotel expenses, but who are glad to avail themselves of a day's pleasure-trip to places of attraction during the summer months.

Particulars of the changes in the scale of fares and rates made during the year are shown in Return No. 34. While regarding this subject it may be remarked that, out of a total expenditure of some £690,000, not less than £600,000 is paid either in direct pay and wages, or for locally-produced stores whose cost depends on wages. The wages paid for unskilled labour in Great Britain are, less than half the colonial rates; they are also much lower in the United States. Other things being equal, it must not therefore be expected that rates and fares can be placed so low as in the countries named, unless a very much lower percentage of net earnings is looked for.

There are, however, some limited advantages belonging to the New Zealand system, which do not appertain to some other countries. In the United Kingdom, for instance, the separate control of small groups of railways under different companies entails a comparatively heavy outlay, and compels the introduction of an expensive institution, the clearing-house, which deals with the interchanged traffic between the various companies, and to which they all account for the adjustment of their revenues, and for the interchange of wagon-stock, ropes, and sheets.

The negotiations between companies respecting changes in through rates and division thereof, and the vast number of contingent points arising therefrom, also complicate business greatly.

We are fortunately almost free from such expenses in New Zealand, and if the district railways are absorbed, as is anticipated, we shall be wholly free from them.

The speeds of trains on the New Zealand railways are at least 30 per cent. lower than English speeds, and, in this respect, there is also some economy.

It is most important to bear in mind the necessity for moderation in providing for stations and private sidings on the railways, seeing that an undue amount of accommodation in this respect tends to make the cost of working excessive, without increasing the revenue to a corresponding extent. Following are the particulars of the numbers in 1880–81 and in 1884–85:—

			Miles of Line.		Stations.		Private Sidings.
1880	1,277	...	467	...	174
1885	1,528	...	597	...	251

The Minister has issued a by-law, reminding owners of private property adjacent to the railways that demands for private accommodation can only be allowed to a limited extent. It sometimes occurs that the department incurs some odium from the public through the necessity for declining certain applications. The department has three very important points to consider in dealing with this subject: the public safety, the public convenience, and remunerative working; and, were these points more fully appreciated by the public, the pressure put on the department to accommodate individual interests would be less than it sometimes is, and the public interest would be better served. The annual reports for 1881–82 and 1882–83 have fully dealt with this subject, the importance of which is apt to be overlooked.

The number of accidents during the year is less than for the previous year. The fatal accidents, unhappily nineteen in number, are three in excess of the former year. An attempt has been made, by gazetting a by-law, to induce the public to use greater caution at level-crossings. The danger to life and property arising from the carelessness of drivers of vehicles is not confined to persons crossing the line. Trains are greatly endangered by collisions, and very serious loss of life is liable to occur therefrom to travellers by rail. Bridges would certainly obviate the danger; but an enormous outlay would be involved in providing them, and in very many cases, in towns, the adoption of bridges is impracticable. Crossing-keepers are a great expense. The cost of a crossing-keeper and accommodation may be taken at £70 a year, or £1,500 capitalized at 4½ per cent.; and it is undesirable to increase expenses of this kind if avoidable. As the railways are public property it is but reasonable that caution on the part of the users of level-crossings should be stringently enforced. No public street should ever be permitted to cross station sidings.

The lines and stock have been maintained in good and efficient order.

The following table shows the cost of wages and stores approximately, separately stated, and an estimate for the year 1885–86:—