

RATES.

Several important modifications in the direction of lowering rates on produce and merchandise for long distances have been made, with the object of encouraging settlement in the more remote districts. The minimum has also been greatly reduced on small lots of agricultural produce and on grain, to the advantage of the smaller class of settlers.

Special rates have been gazetted to meet the varying circumstances of districts and of mineral and other industries, and in encouragement of the export trade of the colony.

These several alterations will, it is believed, be of considerable advantage to the public. Particulars will be found on reference to Table No. 30.

In the study of the export trade and of the various resources of the colony, with an intelligent appreciation of how the abundance of one district may supply the wants of another, the railways, by giving reasonable facilities for exchange, become a most important agency in quickening new industries into life, and in promoting the settlement and trade of the country.

CONDITION OF LINES AND APPLIANCES.

The lines, structures, and rolling-stock are generally in good order. Some additions to workshops are required, so as to utilise labour-saving machinery in hand, and also to give much-needed room for the repairs in connection with the very extensive working-plant: this matter demands immediate attention, in order that economical working and efficiency may be maintained and extended. With the growth of traffic, more accommodation is needed at various places in the colony, for which it is desirable to make provision.

STAFF.

The average number of railway employes during the year is about 4,200. They are well organized, and in a satisfactory state of discipline and efficiency, the evidence of which is to be found in the good condition of the railway property, in the punctuality of the train-services, and in the general conduct of the traffic.

It seems worthy of notice that the anticipation expressed in the last paragraph of the last annual report, of improved economical results from recent changes and amalgamations, has been realised. It is due to the officers who introduced and carried out the changes that this acknowledgment should be accorded.

FUTURE REVENUE.

New Zealand, with its extensive seaboard and numerous ports, precludes the possibility of long haulage-distances on the railways and the profit arising therefrom.

The trade of the country, being based chiefly on the pastoral and agricultural industries and in a less degree on the mineral, timber, and manufacturing industries, is capable of a steady but not a rapid expansion. There can therefore be no great increase in the gross railway revenue of any one year over the preceding. Any improvement in the net revenue result will depend quite as much on economy of working as on increase of business. For the current year—viz., the twelve months ending 31st March, 1890—the estimated gross revenue is £1,030,000, and the working expenses £660,000, giving an estimated net revenue of £370,000, or £19,430 more than for the twelve months ended 31st March, 1889.

ACCOUNTS.

Appended are accounts showing moneys received and expended during the year, which have been balanced with the accounts of the Colonial Treasurer and duly audited.

We have the honour to be,

Sir,

Your most obedient servants,

JAMES MCKERROW,

J. P. MAXWELL,

W. M. HANNAY,

The New Zealand Railway Commissioners.