

So far as the present arrangement of the staff is concerned, there is no alteration of moment required. Owing to the ill-health of Mr. W. N. Blair, the late Engineer-in-Chief, Mr. Hales, the District Engineer at Auckland, had been appointed by my predecessor as Acting Engineer-in-Chief. Mr. Blair unfortunately died shortly afterwards, and by his death the colony lost a faithful and valued public servant, and one whom it will be most difficult to replace. So far the vacancy has not been filled, but Mr. Hales has continued to perform the duties of the Engineer-in-Chiefship. A slight change has, however, been made, inasmuch as Mr. Blow, the former Assistant Under-Secretary, has been appointed Acting Under-Secretary.

It is necessary that the relative positions of, and the work to be done in, the clerical and engineering branches of the department should be more clearly defined, as the colony cannot afford to pay professional officers to perform work of a clerical nature. It is my intention, therefore, to arrange that all the clerical and administrative work of the department shall in future be undertaken by the Under-Secretary and his staff. This will leave the Engineer-in-Chief free to deal with questions of a purely engineering character. By this arrangement a saving will be effected, and the work will be more evenly distributed.

### WORKING RAILWAYS.

The report of the Railway Commissioners, which has already been laid on the table of the House, shows the result of the working of the railways during the past year. The length of line completed and handed over to the Railway Commissioners for working during the year has been 22 miles 57 chains—namely, from Woodville to Palmerston, 17 miles 21 chains, and an extension of the Edendale-Toitoto line from Wyndham to Glenham, 5 miles 36 chains; making a total length of line open for traffic at the close of the financial year of 1,836 miles. On this length of railway no less a sum than £1,121,701 was earned during the year, the net profit, after defraying all working-expenses, being £420,998, which is equivalent to a return of £2 18s. 11d. per cent. on the capital invested. This return is practically the same as that of last year, which was £2 19s. 5d. per cent. For the current financial year I regret to observe that the Railway Commissioners do not anticipate quite so favourable a result. They estimate a net revenue for the year of £414,000 only, as against £420,998 for last year; and, as the mileage and capital cost of the lines will be greater at the end of this year than at the end of last year, it is manifest that, if the Commissioners' estimate is not exceeded, the percentage return for the present year must fall short of that for last year.

The best-paying sections during the late financial year have been the two coal-carrying lines on the west coast of the South Island, the Westport Section having yielded a return of £5 10s. 9d. per cent., and the Greymouth Section £4 16s. 8d. per cent. Next to these two lines comes the Hurunui-Bluff system, embracing 1,074 miles of railway, on which the return has been £3 7s. 11d. per cent.

There has been a fair increase in the traffic during the year, the most noticeable increases being in live-stock, which increased from 1,069,253 head in 1889-90 to 1,348,946 in 1890-91, and grain, which increased from 498,198 tons in the former year to 528,682 tons in the latter. Passengers increased from 3,376,459 to 3,433,629.

Attention was drawn in the Public Works Statement of last year to a gratifying increase in traffic on the Wellington-Eketahuna Section, and it is pleasing to note that this year there is a still further improvement on the same line, the profit realised having increased from £2 8s. 10d. per cent. to £2 16s. 9d. per cent. Substantial increases are also observable on some of the other sections, the most noticeable being the following: Whangarei-Kamo, from 11s. 4d. per cent. in 1889-90 to £1 12s. 2d. per cent. in 1890-91; the Auckland system generally from £1 9s. 10d. per cent. to £2 4s. 4d. per cent., and the Greymouth Section from £4 3s. 3d. per cent. to £4 16s. 8d. per cent.

Representations have been made to the Government by the Railway Commissioners that a considerable expenditure is necessary to increase the accom-