

been carried at much lower rates than formerly. A table has been prepared (Return 10), and is attached to the Statement, comparing the results of working in New Zealand with the statistics for the State railways of the Australasian Colonies, the Cape of Good Hope, and Natal. Honourable members will, I make no doubt, find these figures of much interest.

I will now review the traffic revenue results under the usual heads of "Passengers," "Parcels," and "Goods," and the expenditure results under the heads of "Traffic," "Locomotive," and "Maintenance," after which I shall endeavour to indicate what should, in my opinion, be the railway policy for the future, also the results which may be looked for from such a policy as I am advocating.

PASSENGERS.

Contrary to recent experience in New South Wales, Victoria, and South Australia, a large development of this business has taken place in New Zealand during the past year. For the first time in the history of the railways, over 4,000,000 passengers have been carried—the exact figures are 4,162,426, an increase of 256,848; at the same time the number of season-tickets has increased from 28,623 to 36,233. The revenue from passengers and season-tickets is £389,234, as against £385,148 last year: an increase of £4,086. These results are all the more remarkable when it is considered that there have been no unusual attractions outside the ordinary race-meetings and agricultural shows to induce a phenomenal amount of travelling, and that, owing to the financial troubles in Australia, the tourist season has been a bad one. The number of visitors from places beyond New Zealand who have travelled over the railways during the year under review has been less than in former years.

The popular holiday fares announced in my last Statement have mainly contributed to these gratifying results. I refer to the holiday-excursion fares of 2d. per mile first-class, and 1d. per mile second-class. At these fares 289,675 passengers have travelled during the year, yielding a revenue of £50,233. The school excursions have also been largely patronised. No less than 69,547 scholars and teachers, accompanied by 38,467 parents and friends, have been carried at nominal fares, yielding a revenue of £7,246. It cannot be denied that these school excursions are vastly enjoyed by the little ones, not to say by the parents, and that from an educational point of view very marked and beneficial results must follow. The experience gained has, however, satisfied me that, apart from the benefits indicated, such rates are unremunerative to the Railway Department. With returning prosperity a still larger development of the passenger traffic may be confidently anticipated.

Concessions during the past year to passengers are set forth in Return No. 29 attached hereto.

PARCELS.

In this Department there is a good deal of stagnation, mainly due to competition on the part of Express Companies, who have hitherto been allowed to enjoy a remunerative business at the expense of the State railways. It is a question for consideration whether these Companies should not be called upon to pay similar rates to those charged in New South Wales and Queensland.

Reduced parcels rates have been gazetted for vegetables, game, and fresh fish.

GOODS.

The revenue from this Department has been £698,115, as against £683,726 last year; showing an increase of £14,389. The tonnage carried was 2,175,943, as compared with 2,123,343 last year.

Wool has decreased 3,965 tons, the result of the severe winter. Firewood decreased 6,298 tons, a disappointing result in view of large freight-reductions. It is doubtful whether the Railway Department can place firewood in a position to compete with coal. I am making an experiment on the Napier-Taranaki Section in this direction, which will enable the Government to decide what further reductions, if any, are desirable.