

Western District, have been added to and improved. These and other minor alterations to the train services are calculated to have cost during the year £11,405.

Additions to the rolling-stock, and additions and improvements to the lines and structures, at a cost of £92,624 have been made during the year, charged as follows: £64,717 to Capital Account; £12,000 to amount realised for sale of 150 wagons to Western Australian Government; £15,907 to working expenses.

As foreshadowed in my last Statement, the practice of insuring against accident the casual hands who are employed by the Department at port stations commenced in August last, and since that date fifteen casual hands have thereby received assistance when disabled from accident. The scheme has given satisfaction, and it is proposed during the coming year to extend its operation to all casual hands employed by the Traffic Branch.

During the year ninety members of the staff have resigned, thirty-six have died, been retired, or dismissed, and 237 have been engaged.

Eight appeals have been dealt with by the Railway Appeal Boards, and of these seven have been dismissed, and in the remaining case, the decision of the Department has been modified in favour of the appellant.

During the recess the regulations under section 23 of "The Government Railways Department Classification Act, 1896," have been framed, and the staff has been classified in accordance with section 5 of the same Act.

2. EARNINGS.

The increase in the traffic has been very general. The receipts per train mile have increased from 7s. 1½d. last year to 7s. 6½d. this year.

Nearly four and a half million passengers have travelled, or 276,961 more than last year; 6,836 more season-tickets have been sold, and 34,314 more parcels carried. The revenue of the coaching branch of the business amounted to £468,245, as compared with £443,970 last year, an increase of £24,275.

The Government have made a special feature of excursion traffic, and have granted holiday excursion tickets freely upon all important occasions. At these fares 372,188 passengers, giving a revenue of £63,439, have travelled, a considerable increase upon last year's traffic. Return No. 11 gives full particulars of the excursion traffic for all sections of the railways.

In the Goods Department 2,461,127 tons have been carried, or 285,184 tons over and above last year. This increased tonnage gives an increased revenue of £78,843.

Sheep, chaff, lime, firewood, timber, grain, merchandise, and minerals all gave substantial increases. There is, however, a decrease of about 8 per cent. in the number of cattle carried, and the wool business remains about stationary. In connection with the sheep traffic, I may mention that for the year 1894-95, 1,519,921 sheep were carried, whilst 1,964,110 were carried this year, an increase of 444,189, or over 25 per cent. compared with 1894-95.

There has been a very large increase in coal carried on the Westport Section, and the timber carried on the Kaihu Section has nearly doubled.

3. EXPENDITURE.

The expenditure amounts to 61·35 of the revenue, as compared with 63·51 last year.

The amounts chargeable are as follows:—

In the Traffic Department	...	...	...	...	£213,913
" Locomotive Department	...	...	...	...	256,368
" Maintenance Department	301,981
Management	39,072
					<hr/>
					£811,334
Less credit recoveries	22,280
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Or a net expenditure for 1896-97 of	789,054
As compared with 1895-96	751,368
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An increase of	<u>£37,686</u>

These figures give the following comparative results:—