

increases of salary to clerks and extra clerical assistance. The departmental and district management expenses show an increase of £1,815, due to the appointment of the Signal and Interlocking Engineer (Mr. A. H. Johnson) and his staff; also to scale increases of salary.

4. EXPENDITURE FOR ADDITIONS TO OPEN LINES.

There has been charged £179,932 to Additions to Open Lines Capital Account. Of this amount, £109,298 (in addition to £13,976, the value of materials on hand at the commencement of the year, and which was charged to the 1897–98 account) has been expended on account of rolling-stock, viz.: Nineteen locomotives, twelve carriages, fitting bogie wagons for holiday passenger traffic, eight brake-vans, 788 wagons, 1,022 tarpaulins, and one steam-crane, all of which have been completed during the year; also on account of nine locomotives, ninety-six carriages, 457 brake-vans and wagons, and one steam travelling crane, which were under construction in our railway workshops at the close of the year. An additional sum of £15,360 has been spent on compressed-gas lighting for our railway carriages, and £10,054 on machinery for our workshops. Also £45,220 on account of additions to wharves, station-buildings, platforms, sidings, workshop buildings, engine-sheds, turntables, bridges, dwellings, water-services, loading-banks, cattle- and sheep-yards, fencing, telegraphs, telephones, signals, purchase of land, &c.

The following are the additions to and renewals of rolling-stock for the four years, ending 31st March, 1899:—

Description.						Number of Additions.	Number of Renewals.
Locomotives	...	...	...	...	...	28	9
Carriages	...	...	...	...	...	60	43
Brake-vans	...	...	...	...	...	4	31
Wagons	...	...	...	...	...	1,370	513
Cranes	...	...	...	...	...	1	—

I would refer critics who allege that additions to the rolling-stock should be paid for out of revenue to the annual reports of the State railways of New South Wales, Queensland, Victoria, South Australia, and the Cape. For the five years ending 1893 New South Wales spent £989,599 on new rolling-stock, and £968,881 on improvements and additions to open lines, which amounts were debited to the capital cost of the railways, and I may say that this is, and rightly so, the almost universal practice.

In connection with this matter the Locomotive Superintendent reports that during the past year the tractive-power of our engines was increased by 15·98 per cent., of which increase 2·21 per cent. was charged to working-expenses; this means that the department is replacing light engines with heavy engines at the cost of working-expenses.

The work of fitting the standard bogie-carriage stock on the three principal sections with Pintsch gas is practically complete, and I am pleased to say that since the adoption of this system of lighting universal satisfaction has been expressed at the excellence of the light.

Additions to buildings and machinery for our railway workshops for the four years ending the 31st March, 1899, have been effected at a cost of £15,767 for buildings, and £14,268 for machinery.

5. MIDLAND RAILWAY: RESULTS OF WORKING.

The expenditure for working-expenses, also for new rolling-stock (twelve wagons for Belgrove extension, and six double-bogie wagons for Jackson line), protective works, and rates paid to local public bodies, exceeds the railway revenue for the year by £3,844. The revenue for the year ending the 31st March, 1899, was £20,204, and the expenditure £24,048, as compared with £19,382 revenue and £14,188 expenditure for the previous year. (See Appendix G.)

As anticipated in my last Statement, the cost of ordinary upkeep has increased. For the year ending the 31st March, 1899, working expenditure on lines and structures increased by £2,673 on locomotives, carriages, and wagons by £609, and for traffic expenses by £16, as compared with the previous year.

The increased working expenditure on account of upkeep of line and struc-