

In December last dining-cars were placed on the Auckland–Rotorua express trains, the catering being undertaken by the Railway Department. The result has been highly satisfactory, the accommodation and catering provided and entirely worked by the Department being much appreciated by the public. I have therefore decided that, on the expiration of the existing lease of the right to cater on the Palmerston North–New Plymouth and Christchurch–Dunedin express trains, the Department shall itself undertake the catering on those and any other lines on which dining-cars are run, and that it shall also run the railway refreshment-rooms, which will not be licensed, and the advertising at railway-stations.

On pages ii and iii I have indicated the increase in the rolling-stock from 31st March, 1900, to 31st March, 1904. The table following furnishes an interesting study of the growth of business and increase of rolling-stock from 1st April, 1895, to 31st March, 1904.

On the basis of carrying-capacity of trucks in 1895, 13,132 trucks in use on 31st March, 1904, were equivalent to 15,422 six-ton trucks of the class in use in 1895.

Comparison of the railway traffic and rolling-stock accommodation in 1895 and 1904:—

	31st March, 1895.	31st March, 1904.	Increase.	Per cent. of Increase.
Passengers (number) ...	3,905,578	8,306,383	4,400,805	113
Season tickets (number) ...	28,623	129,919	101,296	354
Parcels " ...	444,981	798,800	353,819	80
Horses " ...	11,185	14,629	3,444	31
Carriages " ...	750	2,056	1,306	174
Dogs " ...	23,517	36,816	13,299	57
Drays " ...	705	2,340	1,635	232
Cattle " ...	40,890	107,435	66,545	163
Sheep " ...	1,519,921	3,756,378	2,236,457	147
Pigs " ...	43,292	70,268	26,976	62
Chaff, lime (tons) ...	36,972	132,562	95,590	259
Wool " ...	103,328	101,316	2,012 Dec.	2 Dec.
Firewood " ...	85,102	106,066	20,964	25
Timber " ...	198,578	509,712	311,134	157
Grain " ...	388,556	820,453	431,897	111
Merchandise " ...	377,938	658,144	280,206	74
Minerals " ...	857,917	1,744,323	886,406	103
Total tonnage ...	2,048,391	4,072,576	2,024,185	99
Total revenue ...	£1,150,851	£2,180,641	£1,029,790	89
Locomotives (number) ...	269	377	108	40
" tractive power (lb.)	1,756,178	3,572,346	1,816,168	103
Passenger cars (number) ...	498	809	311	62
Passenger cars, seating accommodation ...	17,455	31,858	14,403	83
Brake-vans (number) ...	204	301	97	48
Sheep-trucks " ...	390	820	430	110
Total trucks, all classes (number) ...	8,264	13,132	4,868	59
Truck-carrying capacity (tons) ...	50,861	92,533	41,672	82
Train mileage run ...	3,221,620	5,685,399	2,463,779	76

I contemplate arranging at an early date an alteration in the issue of single tickets throughout the whole system of our railways. After a careful investigation I see no reason why the holders of long-distance single tickets when travelling upon the railways should not be given a reasonable time within which to complete their journeys so that they may, if desired, break it at intermediate stations and afterwards continue on to destination.

I do not propose to make any alteration on the suburban lines, but purpose giving the holders of single tickets for stations beyond the suburban area one month within which to complete their journey. The alteration, which means a great reform, will be brought into operation in November next, and the convenience it will afford to the travelling public will be a very great one, and will, I am sure, be generally appreciated.

If the shipping companies conducting business between Auckland and Onehunga and between Lyttelton and Wellington will conform to the requirements of the Railway Department, I also hope to have established a system for the through booking of passengers' luggage from, say, any hotel in Auckland to any hotel in any part of the colony to which the passenger may be travelling.

I confidently anticipate that the commercial prosperity which has existed of late years will continue during the next financial year, and though I estimate the gross revenue at £2,200,000, I think, to be on the safe side, it is better to keep to the actual amount of last year's receipts, which in round numbers I put at £2,180,000.

The usual reports and returns are attached hereto.