

Honourable members will remember that I last year renewed a promise made by my predecessors in office that tenders should be called in the colony for locomotives. I decided, after consulting the officers of the department, that it would afford the best chance of success to local manufacture if we arranged to build ten engines of one pattern. This was done, and the result has been that we received tenders from several of the best firms in the colony, and have let a contract for the manufacture of ten engines at a price not more than about 27 per cent. above the cost of those of the same class imported from England. The colony, through its representatives, having so determinedly expressed its desire that this experiment should be tried, the Government had no hesitation in accepting this tender, as we found that the price was proportionately as favourable as that now being paid in the Colonies of Victoria and New South Wales, where they have been building locomotives for a great many years.

Before leaving this subject it may be desirable that I should refer here to a transaction which has recently taken place with regard to some twenty locomotives which were ordered from England in July and November, 1883, to be delivered for shipment between June, 1884, and March, 1885. In October last I received a cable message from the Agent-General to the effect that two of these engines were shipped, and that they were so heavy that it would be necessary to strengthen all the bridges on the lines they were to run upon; and, on inquiring as to how this could be, I found that the engines, with tenders, as constructed, were 10 tons heavier than they were specified to be.

I immediately refused to take these engines, and after a very long and expensive correspondence by cable and letter, the contractors, finding that we would not take the engines as built, agreed to alter them in a manner satisfactory to the department, at their own cost. These engines as altered are now coming forward.

In the meantime, being disappointed in not receiving these engines at the time they were expected, I was obliged to order others, and succeeded in making a contract with the celebrated Baldwin Company, of Philadelphia, to supply twelve engines on the same specification as that sent to England in 1883. The order left New Zealand on the 6th December, 1884, and we have had advices of the shipment of the whole number at New York by the 1st May, 1885, namely, within five months from the time of the order leaving here; and a still more satisfactory part of the business is, that they will be delivered for fully £400 per engine less than the English ones.

As it is evident from our experience in the case of these locomotives, and also from the case of the defective axles which I have already referred to, that the system of inspection at present in force in England is far from satisfactory, it has been determined by the Government to inaugurate a better system for the future, as it is quite clear that this subject has not been receiving the attention it should have done, and that the colony has suffered great loss in the past from this cause.

In this endeavour to improve the present system of inspection, the department is receiving the cordial assistance of the Agent-General, who has himself also represented that the present condition of things in this respect is unsatisfactory to him, and that he is desirous that the Government should take steps to have it remedied.

The total passenger traffic on the railways, as shown by the printed returns, was—

For the year 1883-84	....	....	....	3,272,644
For the year 1884-85	....	....	....	3,232,886

From this it would appear that there has been a decrease in the actual number of people travelling; but such is not the case.

An alteration was made towards the end of 1883, for the convenience both of the public and the railways, by which all passengers who got into the trains at flag-stations were booked to their destination, each one only counting therefore as one passenger, whereas during the greater part of 1883, and in all former years, each one was booked twice, and counted as two passengers.

This apparent reduction in number has given rise to a statement, which has