

modation and appliances on the opened lines in order to adequately meet the requirements of the ever-increasing traffic. A sum of £40,000 has been asked for expenditure during the current financial year; and a vote for this amount has been placed on the estimates accordingly; also for an additional amount of £3,000 for improving the wharfage accommodation at Picton, thus bringing the total amount of the vote for works on opened lines up to £43,000.

The existing loan allocation for additions to opened lines being exhausted, special provision will have to be made for the whole of this sum. Towards the amount a special credit of about £14,000 is expected to be received during the year on account of certain rolling-stock which the Railway Commissioners, with the concurrence of the Government, have sold to the Government of Western Australia, and the balance of £29,000 we propose to take from the Public Works Funds.

The question of the control of the loan expenditure on additions to open lines has engaged the serious consideration of the Government. It appears that for several months after the appointment of the Railway Commissioners this expenditure continued to be controlled by the Minister for Public Works; but in September, 1889, the Audit Department ruled that under section 46 of the Government Railways Act all moneys voted for expenditure on opened railways, whether for purposes of maintenance or improvement, and whether derived from revenue or from loan, must be expended solely under the control of the Commissioners. Since that date, therefore, the Minister for Public Works has had no voice in or control over the expenditure of the amounts voted out of the Public Works Fund for additions to open lines.

While not desiring to take the actual expending of the moneys voted for works of this class out of the hands of the Commissioners, the Government nevertheless considers that it is undesirable that the expenditure of funds derived from loan should be removed from the control of the Minister for Public Works; and a proposal will therefore be made to again place the vote for additions to open lines under Ministerial control, as was formerly the case. The actual expending of the money will still rest with the Railway Commissioners, but it is intended that the Commissioners should obtain the authority of the Minister before incurring any expense or liability under the vote referred to, and also that they should furnish proper vouchers to the Minister for the expenditure of the amounts authorised.

Of the total amount of £43,000 proposed to be voted for the current year a sum of £16,000 is proposed to be expended in new rolling-stock. The allocation of the remainder of the vote which appears in the estimates is that recommended by the Railway Commissioners, and £3,000 as already stated for extending the wharfage accommodation at Picton, a work which the Government regards as urgently necessary.

For some time past there has been considerable agitation in favour of a trial being given on our railways to the "zone" system, as advocated by Mr. Samuel Vaile, of Auckland. The position in which the Legislature has placed our railways, however, prevents any change being made for the present.

In connection with the management of our railways there has, unfortunately, been a great deal of friction between the Commissioners and their employés and ex-employés, and I have used my best endeavours to remove that friction and to promote good feeling.

I have not thought it wise to interfere in any way with the Commissioners in the details of the management of the railways, as such an interference would be a violation of the intention of Parliament as expressed in the Government Railways Act. At the same time, as the political head of the Railway Department, I have carried out the duties dependent upon the position in that spirit which I considered that Parliament desired should prevail.

From the number of claims preferred to Parliament every session by employés or ex-employés who have been injured in the railway service, or the widows or children of men killed, or who have died while in that service, it becomes more and more evident that an equitable scheme for the insurance of our railway employés is an absolute necessity. The Railway Commissioners