D.—1.

INSPECTION OF MACHINERY AND SURVEY OF STEAMERS.

With a view to place the work of the Inspectors of Machinery under better control, and also to insure greater uniformity in the methods of inspection adopted in the several districts, Mr. W. M. Mowatt, formerly one of the Inspectors for the Wellington District, has been appointed Chief Inspector of Machinery, and has been placed under the control of the Public Works Department.

At the time the work was handed over to the Public Works Department the inspection in most of the districts was much in arrear—indeed, several months behind in some districts—but by close application on the part of the old Inspectors, and with the help of one additional Inspector the arrears are now being gradually worked off. I regret to say that one of the oldest Inspectors—the late Mr. Alexander Crawford—died during the year, after having served as an Inspector for seventeen years. A full report of the working of the Inspection of Machinery Department has been prepared by the Chief Inspector, and forms one of the Appendices to this Statement.

That the work of the Inspectors has been faithfully and efficiently performed is shown by the entire absence of accidents to life or limb in connection with steam-boilers in the colony during the year, and the very small number of

accidents in connection with machinery.

In Great Britain, the number of accidents for the same number of boilers that we have in use in New Zealand would have been seven, causing the death of five persons, and injuring twelve others, so that steam-boilers in this colony are evidently kept in a safer condition than in the Old Country. This reflects very great credit on our Inspectors. It is also very pleasing to be able to state that this branch of the department, which is so useful in safe-guarding life and property, is entirely self-supporting, the fees received fully covering the working expenses. Complaints have been made of the charges for inspecting portable engines used for agricultural purposes; inquiries will therefore be made into the matter, and if the rates are found to be excessive they will be reduced.

The survey of steamers, and the issuing of the survey certificates, has also been entrusted to the Public Works Department since 1st December last. The Inspectors of Machinery act also as Engineer-surveyors of Steamers. It was found to be inconvenient for these officers to be responsible to the Public Works Department as regards a portion of their duties, and to the Marine Department as regards the remainder, and it was therefore decided to make them wholly responsible to the former department. Mr. Mowatt acts as principal Engineer Surveyor, and has also compiled a report on the working of this branch of his department, which appears as Appendix H.

WORKING RAILWAYS.

The Te Aro Extension of the Wellington-Woodville Railway, 1 mile 15 chains in length, was completed and opened for traffic during last financial year, and the Kaihu Valley Railway, $16\frac{1}{2}$ miles in length, constructed by the Kaihu Valley Railway Company, and which fell into the hands of the Government in July, 1891, was also vested in the Commissioners during the year (namely, on the 1st January last), in pursuance of section 5 of "The Railways Authorisation and Management Act, 1891." As already stated, the Mangaonoho Section of the North Island Main Trunk Railway, and the Mokihinui Extension of the Westport-Ngakawau Railway have been handed over since the close of the financial year. The total length of railway in the hands of the Railway Commissioners at the close of the financial year was 1,885 miles. The total earnings during the year came to £1,181,521, and the net profit, after deducting working expenses, amounted to £449,380. The percentage return on the total capital invested in the railways amounted last year to £3 1s. 0d. per cent. For the current year the Commissioners estimate the total receipts at £1,176,000, and the working expenses at £732,000, showing a net revenue of £444,000.

The funds voted for additions to open lines last year—namely, £12,612—were all expended within the year, and the Commissioners have requested that an amount of £24,978 may be provided to meet the requirements under this head