

charges will be available for the use of the Commissioner when he is determining the matter.

The work connected with the duplication of the Dunedin-Mosgiel line is being pushed on as fast as practicable. Double track has been opened for traffic as far as Abbotsford, but the difficult character of the ground through which the Chain Hills Tunnel is being pierced has retarded the operations somewhat.

Good progress has been made with the grade-improvement works on the Auckland Section of the Main Trunk line, also with the deviation-works at Manawapou on the New Plymouth line, but the completion of the viaduct will be delayed owing to the difficulty in obtaining materials from Britain consequent on the recent strikes there.

Messrs. A. and G. Price (Limited) delivered six Class AD four-cylinder balanced compound tender locomotives, thus completing their contract. In view of the necessity for further increasing the locomotive-power, a further contract was let to this firm to build another lot of twenty Class AD engines.

In the Railway Workshops there was under construction on the 31st March, six heavy type goods-engines Class BA, ten Class X four-cylinder balanced compounds and 28 heavy tank engines, also 53 bogie-cars, 2 bogie brake-vans, 31 bogie, and 1,100 four-wheeled wagons. By the additions that have been made to rolling-stock during the past seventeen years the tractive power has been increased by 240 per cent., passenger-seating capacity by 194 per cent., and wagon capacity by 192 per cent. The additions actually made to the rolling-stock equipment in the same period comprised 224 locomotives, 714 cars, 177 brake-vans, 963 sheep-trucks, and 8,913 goods-wagons.

The rapidity with which the business continues to increase makes it essential to continue building rolling-stock as quickly as possible. Special efforts are therefore being put forth in this direction. The programme for 1912-13 comprises 10 engines, 67 bogie carriages, 8 bogie brake-vans, 54 bogie wagons, 837 four-wheeled wagons, so that altogether there are at the moment 64 locomotives, 120 carriages, 10 brake-vans, 85 bogie wagons, and 1,937 four-wheeled wagons actually on order.

The petrol-motor car for trial on our lines is now almost complete, and will be placed in commission shortly. The experiments being made in the Australian States with motor-cars are being closely watched. Full inquiries have also been made concerning the experience of foreign railways with regard to motor-cars, so that when cars are being obtained they will be of the type that has been found most satisfactory in actual every-day railway practice.

On the 31st March the accumulated funds to the credit of the Government Railways Superannuation Fund amounted to £233,457, an increase of £26,215 on the previous year. The total income for the year was £94,544, and the outgoing amounted to £68,329. Of the latter, the sum of £57,482 represented the annual charge involved in payments to 1,184 beneficiaries, comprising 744 contributors voluntarily resigned or been retired on account of being medically unfit, 170 widows, and 270 children under the age of fourteen years.

On taking over the control of the Department of Railways last month I found myself confronted with several great problems that needed investigation and, if possible, settling in a satisfactory way. The first was the question of the General Managership. Mr. Ronayne, who reaches the age-limit in January, 1913, had expressed to my predecessor and to myself his intention of retiring from the position which he has so long and faithfully filled. As announced in the Financial Statement, Cabinet decided on my recommendation to invite applications in London for the position of General Manager. It is not intended to do away with Ministerial control over the railway policy or to lessen the responsibility of the Minister to Parliament, but it is hoped that by getting a General Manager who has had experience of some of the great railway systems in the United Kingdom, or abroad, reform may be introduced into the railway system of New Zealand.

The next burning question to be met was the question of the relations of the State to its employees on the railway. The State should be proud of its employees