

made with the Union Steamship Company and the Northern Steamship Company to connect to and from Auckland with these trains, thereby increasing the through services to and from Wellington, from and to Auckland, to four days a week instead of two days a week as formerly. These improved facilities for both passengers and mails have been much appreciated.

The demands for faster train services, improved station-accommodation, and more rolling-stock still continue. In the case of the two latter requirements, so far as the means at my disposal permit, every effort is being made to overtake pressing necessities; but, in respect to faster train services, as I have on previous occasions indicated, these can only be provided by separating the passenger and goods services, involving a large increase in working-expenses, which, in my opinion, the character of the business does not, except in exceptional cases, yet warrant.

Additions to rolling-stock, and additions and improvements to the lines and structures, at a cost of £197,100, have been made during the year, charged as follows: £179,932 to Capital Account, and £17,168 to working-expenses. (See Return No. 7 for details of the capital expenditure.)

Of the 1,865 casual labourers employed in the Traffic Branch and insured against accident at the cost of working-expenses, forty-eight were injured and received compensation during the year. The cost of premium amounted to £413 12s. 9d.

An average of 6,413 men were employed by the department, as compared with 6,051 men during the previous year. (See Return No. 26.)

Seventy-four members of the permanent staff resigned, thirty-one died, fifty-seven were retired, twenty-six were dismissed, and 404 engaged.

Five appeals against decisions of the department in regard to staff irregularities were heard by the Appeal Boards; four were dismissed and one allowed.

Nineteen members of the Second Division were during the year promoted or transferred to the First Division.

In my last Statement I alluded to the fact that some dissatisfaction had been expressed in regard to the regulations for the transfer of members from the Second Division of the service to the First Division, and that the executives of the Amalgamated Society of Railway Servants and the Railway Officers' Institute had been invited to assist in framing amended regulations which would be acceptable to the members of both divisions. The replies received indicated that the two organizations could not agree on a scheme which would be acceptable to both. The Government, therefore, referred the question to a conference of the Railway Managers, who have recommended amended regulations, which have since been under the consideration of the before-mentioned societies. The Officers' Institute has replied, advising additional restrictions to those proposed in respect to promotions from Division II. to Division I., but no definite reply has as yet been received from the Railway Servants' Society.

Amended regulations under the Classification Act, gazetted the 6th April, 1899, provide for (a) limiting the number of members of one family who may join the service to two instead of three; (b) fixing the maximum age of apprentices at sixteen years instead of sixteen and a half years; (c) employment of temporary hands where necessary, and providing for transfer of temporary hands to the permanent staff.

As announced in my last year's Statement, the Government, on the 1st January, 1899, increased the pay of all men in receipt of 6s. 6d. a day to 7s. a day. This involved, up to the 31st March, increased payments amounting to £2,856. For the year ending the 31st March, 1900, the expenditure under this head is estimated to amount to £12,383.

The Classification Amendment Act of 1897 provides extra remuneration for carpenters, engine-drivers, firemen, crossing- and bridge-keepers, and apprentices, which last year amounted to £1,014, and for current year is estimated to cost £2,633.

The Act providing for the classification of members of the staff has now had two years' working trial, and in actual practice is found to afford safeguards for impartial treatment which free selection does not secure. It, however, seems desirable to allow greater latitude in selecting for the higher positions of the