

To further facilitate the handling and transport of passengers' luggage, arrangements have been made with the Department's Wellington contractors whereby they will collect at starting stations, check, and deliver at the final destination packages of *bona fide* luggage belonging to passengers journeying by train, or by train and steamer. A passenger booked from Auckland, or other town in the North Island, to a town in the South Island or *vice versa* can therefore, if he elects, hand over his luggage to the Contractor at Auckland, and have it carted to station, checked, and delivered by the Contractor to his address in the South Island on payment of such cartage charges as are mutually agreed upon by the passenger and Contractor. The Contractor will perform the whole or any part of the services stated—that is, he will collect and check at starting station, handing checks to passenger, leaving him to make his own arrangements for delivery at final destination, or if checks are handed to him by passenger he will take delivery and cart luggage to address given on its arrival at destination. In order to check luggage through it is, of course, essential that the passenger holds a ticket for the actual points between which he desires to check. Where ticket is not held when luggage is collected, the Contractor will collect the fare and hand the person concerned an order to be exchanged at the booking-office window for a ticket for the journey to be made. By this means the convenience of the passenger is fully met, and the interests of the railway are conserved.

Since 1895 196 locomotives, 642 passenger-carriages, 163 brake-vans, and 8,589 wagons have been added to the rolling-stock equipment of the lines. These additions have increased the tractive power by 211 per cent., the passenger-seating accommodation by 174 per cent., wagon-carrying capacity by 166 per cent. compared with the position in 1895.

To provide still further for meeting the demands of the prospective increase of traffic that will inevitably follow closely upon the settlement now taking place along the railway routes, arrangements have been made to construct the following rolling-stock for the year 1910–11: 19 bogie-cars, 6 bogie brake-vans, 6 bogie and 875 four-wheeled wagons. The total rolling-stock actually on order at the present time is, therefore, 42 locomotives, 81 bogie-cars, 24 bogie brake-vans, 53 bogie and 2087 four-wheeled wagons.

Nine hundred and ninety-six persons were, on 31st March, in the enjoyment of benefits accruing to them from the Government Railways Superannuation Fund. The sum involved represented an annual charge of £48,468 8s. 11d., and is payable in respect of 622 contributors who have retired voluntarily on account of being medically unfit, 140 widows, and 234 children under the age of fourteen. The accumulated fund now amounts to £173,876 1s. 8d. Since the inception of the Fund on 1st January, 1903, 107 beneficiaries have died, 7 retired as medically unfit recovered and resumed duty, 14 widows remarried, 5 widows and 4 children under fourteen years of age died, and 77 children have attained the age of fourteen years; the annual liability of the Fund has thus been reduced by £8,329.

Owing to the financial depression which existed in the early part of last year affecting the revenues of the Department, it was regretfully found necessary to make some retrenchment, as the outlook at that time did not justify the Department in continuing the expenditure at the rate then existing. The retrenchment thus forced upon the Department prevented the usual number of promotions being made and necessitated expenditure on account of increases in salary and wages being accordingly restricted to the limits of the Act.

The completion of the special building programme for the North Island Main Trunk Line also resulted in a reduction of hands in the different workshops, but with the returning prosperity which is now evident it will be necessary to make provision for the estimated increase of trade, and this, it is hoped, will enable the Department to re-employ some of those men who, unfortunately, had to be retrenched.

During last session it was stated that the railwaymen in the Second Division were desirous of being brought under the Arbitration Act, and I intimated that if this were so they would be given an opportunity of voting on the question. Accordingly the Executive of the Amalgamated Society of Railway Servants, which represents the Second Division of the service, have been requested on more than one occasion