

The track-improvements foreshadowed in my last Statement have been commenced at Tuakau, in the Auckland District, where a work of considerable magnitude, involving the complete rearrangement of the station-yard and reduction of the heavy grade in the vicinity, is in progress.

With a view to enabling these important operations to be pursued in steady and regular sequence and so obtain the best results, I purpose asking the House to authorize the sum of £100,000 being obtained under special act, and to be spent at the rate of £25,000 per annum on grade-reduction work.

Messrs. A. and G. Price (Limited), of the Thames, have made good progress with the construction of the second lot of ten Ad. compounds for which they obtained the contract; four have been completed and handed over to the Department, and the remaining six will be delivered in schedule time.

There are under construction in the Railway Workshops ten heavy-goods tender engines, Class B type, and twelve tank engines of the Wg type. Orders were also in hand for five Class X heavy balanced compound and ten Wg tank engines. Fifty-five bogie cars, nine bogie brake vans, twenty-six bogie and 1,355 four-wheeled wagons were also under construction in the Railway Workshops.

During the past sixteen years the additions made to the rolling-stock have comprised 209 locomotives, 668 bogie passenger carriages, 169 brake vans, 893 sheep-trucks, 8,506 goods-wagons. By these additions the tractive power has been increased 226 per cent., passenger-seating capacity by 181 per cent., wagon capacity by 181 per cent.

Notwithstanding the large increase made in the rolling-stock, the continued development of the railway traffic renders the carrying-out of a progressive policy in regard to rolling-stock equipment a matter of imperative necessity. The following rolling-stock, which comprises the programme for 1911-12, has therefore been placed on order: ten engines, thirty-one bogie carriages, twenty-four bogie and eighty-four four-wheeled wagons. These make the rolling-stock now actually on order fifty-three locomotives, eighty-six bogie cars, nine bogie brake vans, fifty bogie and 1,439 four-wheeled wagons.

On the 25th February, 1911, an accident, unfortunately attended with loss of life, happened to the Wellington-Napier express train when running near Paekakariki. A boulder that had become displaced descended from the hillside as the train was passing and crashed into one of the carriages, killing one passenger and injuring three others. The line had been patrolled a few minutes prior to the passing of the train, and there was then nothing to indicate the likelihood of any stone falling.

On the 16th August, 1910, a goods-train ran into a slip near Utiku, the engine and eleven wagons being derailed. A washout on the Otago Central line, on the 8th December, 1910, resulted in derailment of engine and four wagons, and on the 3rd June, 1910, eleven wagons on a goods-train were derailed on the Nightcaps line.

Recognition has been extended to the Locomotive Engine-drivers, Firemen, and Cleaners' Association, the right being reserved for the Amalgamated Society of Railway Servants to make representations to the Railway Department on behalf of such of the Locomotive men as continue their allegiance to the Amalgamated Society.

During last session an increase was made in the rates of pay of ironworking machinists employed in the Railway Workshops. I have recently devoted some attention to the question of the pay of certain other grades of the service, and will, in due course, submit for the consideration of the House my proposals for further improving the pay of the men in the Second Division of the Railway service.

With a view to economizing the use of railway rolling-stock, insuring a greater load per wagon and reducing empty truck-haulage as much as practicable, arrangements have been made for the consigning and despatch of goods to various stations on certain days of the week only according to the volume of business done or offering for each place, and I have no doubt that when the system is once fully established it will prove as satisfactory here as it is in Victoria, where I saw the result of its operation and the economy accruing therefrom.

With a view to meeting the public convenience, I propose bringing into operation on our lines the cash-on-delivery system in respect to parcels traffic. Under this system it will be practicable for a tradesmen to consign to a client