PREPARATIONS FOR CENTENNIAL YEAR.

Enough has been said, I think, to give an idea of the progress and development of the railways during the past year and of the main features of Government policy in regard to the railways and to transport generally so far as it concerns the operations of the Department.

I feel that the increasing tide of traffic the railways have experienced in the past two years will continue to flow in their direction as additional facilities are provided for the transaction of business with and through the Department, and as public satisfaction is increased by the good, reliable, and inexpensive service given. The Department, naturally, anticipates a greatly increased traffic during the Dominion's Centennial year and also increased trade and tourist business following the national display of the country's achieved and potential development. This has been borne in mind in framing the Department's construction programme for the immediate future.

ACCIDENTS.

Two train accidents, the first at Ratana and the second at Aylesbury, each resulting in the loss of life, occurred in the last month of the financial year.

The Government set up a judicial Board of Inquiry on the 28th March immediately following the Ratana accident, and the Board's report, dated 8th July, 1938, has been received by the Government and circulated amongst members. This indicates that the accident was due to an honest error of judgment on the part of the engine-driver, to which the presence of haze and fog contributed. The Board was satisfied that the engine, cars, and guard's van were in first-class order and condition, and that the permanent-way was well laid and maintained and perfectly safe to travel over at the authorized speeds.

The Coronial Inquiry into the Aylesbury accident is not yet completed.

I wish again to express my very deepest sympathy with the relatives and associates of the deceased.

CONCLUSION.

I wish to thank the General Manager, Mr. G. H. Mackley, his assistants, and the staff generally for their efficient work and helpful attitude throughout the year.

From my own personal knowledge and experience, and from appreciative references not only by New-Zealanders but by visitors from overseas. I am satisfied that during an exceedingly trying year the staff has given excellent service to the public and to the Department.