

To meet such cases provision was made in the Civil Service Bill introduced by the Government, but the provisions of this Bill have not met with general favour from the railway employés. At the same time the objections made were committee objections, as the general principle of making some suitable provision is admitted on all hands. During the recess the details of this matter will be fully gone into, and a comparison of the scheme submitted by the Railway Commissioners and the alternative scheme submitted by the employés will be made, and a satisfactory solution of the question it is hoped may thus be found, and, if so, the matter can be definitely dealt with next session.

The Railway Commissioners inform me that they have arranged that, on the retirement of Mr Blackett, Mr John Carruthers, a former Engineer-in-Chief of the colony, shall act for them as Consulting Engineer in England, at a remuneration of £500 per annum

ZONE SYSTEM.

The agitation in favour of the zone system still continues, and experience is proving in other countries that there is a great deal to be said in its favour. The returns from the working of our railways do not show at all a satisfactory condition of affairs, and the representations of Mr Samuel Vaile, of Auckland, as to the working of the zone system indicate that at no distant date—possibly on the expiry of the Commissioners' term of office—it might be as well that a trial of this system should be made on our railways.

WELLINGTON-MANAWATU RAILWAY

Considerable agitation has taken place relative to the Government taking over this line. The agitation has come principally from the districts served by the New Zealand railways, the principal reason urged being the short-distance rates charged. The persons principally interested have asked the Government, through their representatives in the House, their intentions, but from the company itself no overtures have been received. The question demands careful consideration—more particularly from a financial point of view. That under the present policy it would be impossible to provide the means for the purchase of this line, and at the same time proceed with the construction of railways and roads to the districts requiring the same, is of course obvious. It is quite impossible to provide ways and means for the purchase of the line from the consolidated revenue, so that the next question would be, is the colony prepared to borrow money for the redemption of the company's debentures, and to pay whatever the balance of the purchase-money might be over and above the amount of the debentures?

The Government is of opinion that the time has not yet arrived for this to be done. Since last session a test case has been heard in the Supreme Court, and it has been decided that the company can only charge the same rates as those prevailing for the carriage of goods and passengers on the Government lines. This being the case, the only grievance remaining is the short-distance rates which are charged on through traffic. The Government has been approached with the view of assisting in the running of an express train through from Wellington to New Plymouth, and the company has been asked to consent to the Railway Commissioners running a Government train right through, but they have declined to permit this to be done. They have, at the same time, informed the Commissioners that they have the necessary locomotives and rolling-stock for the running of the express train, and are prepared to run it if the Government will give a subsidy towards the cost.

THE CO-OPERATIVE SYSTEM.

The result of the experiments in the construction of our railways and public works on the co-operative principle has proved highly satisfactory, though, as in all new systems, there was a little friction at first.

Amendments have been made in the terms of the agreements between the workmen in the direction of reducing the numbers in each party, it being very difficult to get thirty or forty men who can work harmoniously together, and who