

Taking into consideration the necessity for railway communication and the money already expended, it is impossible to stop the line at its present terminus. We therefore propose to appropriate a sum of £30,000, to be expended in constructing the line from Middlemarch towards Hyde. This must only be taken as an instalment on account, and as further funds are available additional allocations will be made.

In my tour through Central Otago I did not see the country at its best, but the one redeeming feature of all others was that, in each place, the repeated cry was, "We want some land thrown open for settlement." With a genuine demand for land for settlement, and with the prospect of irrigation (which is almost indispensable) in the early future, there is every probability that two things will shortly disappear: that is, the rabbit-pest and the non-progressive condition of the people settled in this part of the colony; and we shall find that, by the construction of this railway, instead of a wild waste, occupied largely by rabbits, we shall have a thrifty population settled in a prosperous and productive country.

As the existing loan allocation for this railway is practically exhausted, it is proposed to provide the amount required for its further extension partly from the released sinking funds and partly from a re-allocation of the loan moneys under Part III. of the Public Works Fund.

CATLIN'S RIVER RAILWAY.

The Glenomaru Section of this railway, a length of $6\frac{1}{4}$ miles, has recently been completed, and vested in the Railway Commissioners. The line was opened for public traffic to the Township of Glenomaru on the 15th July last. A further short section, half a mile in length only, but including a tunnel $12\frac{1}{4}$ chains long, has been let by contract, and is well in hand.

On the completion of the works on the Otago Central Railway the want of employment in the district became very great. There being some money available for the construction of the Catlin's River line, a section of about $2\frac{1}{2}$ miles in length was authorised to be let on terms similar to those for the construction of the Ngakawau-Mokihinui Railway. There was a little friction at first; but the work is now proceeding rapidly, and the men employed are fairly satisfied with their returns.

The vote proposed is required to complete the line to the point to which it is now in hand. When completed to that point it will meet all the requirements of the district for the present. There is, moreover, considerable diversity of opinion in the locality as to the best route to adopt for the further extension of the railway.

SEAWARD BUSH RAILWAY.

As considerable diversity of opinion seemed to exist in Southland as regards the relative merits of the Seaward Bush and Edendale-Fortrose Railways, and as both lines will, to a large extent, open up the same district, I determined to visit the locality, and, after making inquiries on the spot, I have come to the conclusion that it would be a greater advantage to the colony to extend the Seaward Bush Railway than the Edendale-Fortrose line. The land in the vicinity of the former line is fairly good, and the extension would promote settlement, and would also bring within marketable distance a very large forest of valuable timber—in fact, the cost of the extension of the line would quickly be recouped from the sale of the timber alone. As compared with the proposed extension of the Edendale-Fortrose Railway, the advantages are greatly on the side of the Seaward Bush line. Under these circumstances, therefore, we propose to take a vote for £12,000 to complete the latter line from its present terminus to a point well within the forest, a distance of about five miles. Its further extension will depend upon funds being available hereafter.

SUMMARY.

The various appropriations proposed for railway-works this year total to a sum of £484,976. Of this sum £323,289 is proposed for expenditure out of allocations already made to the railways on which it is proposed to expend it;