

The Pintsch gas-lighting plant alluded to in my last Statement has arrived in the colony, and it is expected that the Invercargill and Christchurch express-trains will be provided with this light during the course of the current month.

A Bill will be introduced this session providing for the classification of the railway staff. This Bill will, it is believed, without entailing undue expenditure, prove acceptable both to the men and to the country.

Finally, having devoted much time and thought to the administrative work of this great Department, I am in favour of a progressive policy, mainly for passengers and colonial products, coupled with a proper appreciation of the consideration due to those colonists who are not directly served by the railways. This may best be met by safeguarding the revenue until a net return of 3 per cent. from the railways is realised. In such an event I think the country will be justified in making substantial concessions both in passenger-fares and freight-charges for colonial products. This is the policy which I commend to the consideration of honourable members.

Appendix E gives the revenue and expenditure for the Midland Railway system from the date (27th May, 1895) on which the Government assumed the management up to 31st March, 1896; also, the reports of the Chief Engineer for Working Railways and the Locomotive Superintendent, dealing with the condition of the Midland Railway lines, structures, and rolling-stock.

The usual Departmental reports, and several additional returns, are appended.

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