

If the settlement of the country is to progress, industries to be assisted, and the demands of travellers and producers done justice to, a large sum must be provided for additional locomotives and rolling-stock, also for improvements and additions to the lines and structures, which in some of the larger centres are insufficient for requirements. To enable more locomotives and rolling-stock to be built in the railway-workshops the shop machinery must be added to, and, in some cases, replaced by more modern appliances. In some districts provision is urgently required for interlocking signals and points, also for fitting continuous brake-gear on trains running over heavily-graded lines. Where the lines are of such a nature, and the volume of traffic sufficiently large, it will be economical and wise to make provision for strengthening the lines and structures to permit of the passage of engines having greater tractive-power, and of the most modern type. Taking into consideration the improved results shown by the railways, and to provide for increased safety and efficiency, it is deemed advisable in the best interests of the colony that £200,000 should be raised for these purposes.

#### RAILWAY CONSTRUCTION.

Satisfactory progress has been made in the matter of railway construction during the year. Forty-nine miles of railway have been completed since the 31st March, 1896. The Makarau Tunnel, on the Helensville Northwards line, which has been in hand for over seven years, has at length been completed and the railway through it opened for traffic; and the Makohine Viaduct, on the North Island Main Trunk Railway, which was so long in contemplation, has now been commenced, the excavation of the foundations for the piers being well in hand, the bulk of the cement on the ground, and the iron and steel work now arriving from England.

Other very important railway-works are in hand, and progressing as rapidly as the means at our disposal will allow. The line between Eketahuna and Woodville will be completed in a short time. This done, a vigorous policy in respect to completing the North Island Trunk, Otago Central, and other railways is worthy of consideration.

#### LIGHT RAILWAYS.

When visiting Tasmania during the recess, to take part in the conference of Australasian Premiers, I had an opportunity of obtaining the fullest information in respect to the light railway between Zeehan and Mount Dundas. This line, which passes over some exceedingly rough country, has been constructed at the phenomenally low rate of about £2,000 per mile, including rails, sleepers, and rolling-stock. I was very favourably impressed with the possibilities of constructing light lines in our colony, but, in respect to present authorised lines, without breaking the gauge. At present the cost averages over £7,000 per mile. By using lighter rails, fewer sleepers, and reducing the cuttings, earth-works, and decreasing the number of station-buildings, there would be a considerable reduction, and the moneys available would be sufficient for double the distance, and the desired connections could be completed in half the time. Railways of the character I have referred to can be constructed for very little more than it would cost to make a good metalled road in some parts of the colony; but in no part where railways are required does the nature of the country warrant the breaking of the gauge and the attendant disadvantages. As Treasurer, I am, however, only concerned from a financial standpoint, and it is not necessary for me to go further into the question here, as fuller particulars of our proposals will be given by my colleague in his Public Works Statement, and these will, in the due course of events, be submitted to the Railways Committee.

#### MIDLAND RAILWAY.

I regret to say that the position in respect to this most important public work remains practically unaltered. The construction of the line is proceeding slowly, and the expenditure is kept within the appropriations. The company has met the claims made upon it. The actual amount of cash recovered on account of construction-works carried out by the Government is £24,263 10s. 6d. In addition to this there was a profit on the working of the opened portions of