

The vote for the construction of the Midland Railway last year was £60,000, but this year a larger vote will be necessary. An amount of £100,000 has accordingly been provided on the estimates for the works referred to—namely, at Springfield, Otira, Tadmor, and the survey from Reefton to Inangahua Junction.

NGAHERE—BLACKBALL.

The construction of a branch line from the Ngahere Station, on the Brunner-Reefton Section of the Midland Railway, to the Blackball Collieries has been asked for for several years, but until the dispute with the Midland Railway Company was settled it was quite out of the question to proceed with it. This difficulty is now happily out of the way, and, although we are not prepared at present to commit the colony to the construction of this line of railway, it is felt that the time has arrived for providing a better means of access to the railway system. To meet this requirement it is proposed to proceed with the erection of a bridge over the Grey River, and a vote of £2,000 appears on the estimates to make a start with the work.

TOTAL APPROPRIATIONS FOR RAILWAYS.

In addition to the appropriations already mentioned, a vote of £2,000 is provided to meet old land claims and other liabilities on railways in respect of which no specific votes are taken, £3,500 for surveys of new lines, and £76,000 for permanent-way and other materials: thus making the total appropriation proposed for railway-construction purposes £559,500.

WELLINGTON—MANAWATU RAILWAY.

During this and preceding sessions deep interest has been taken in this railway, and many questions have been asked respecting it. The reply has invariably been that, whilst admitting its importance to the company and the colony, and recognising the anomaly of having a private line to which a good deal of the Government traffic is brought, Ministers did not see their way to interfere, nor had the company approached the Government with a view of the colony acquiring the line. As members are probably aware, if the colony were to take over the railway under the original agreement it could only do so by paying an additional 10 per cent. on the cost of construction. There would also be the certainty of difficulties arising in the assessment of what the cost of construction really was, and this would ultimately lead to the question being referred to arbitration; and then, after all, the company would simply hand over the railway, and would retain its other assets, including the unsold balance of the lands which were given to it by the colony as an inducement to construct the line, and which are of considerable value.

Some time ago Mr. Wethered, a representative of a large number of shareholders, was in the colony, and he interviewed my colleague the Premier and Colonial Treasurer in reference to the intentions of the Government, and particularly as to whether it was intended to take over the railway. At this interview the Premier made it clear that the possibility of the Government taking over the line under the original agreement was very remote, but that Ministers were prepared to consider any proposals which would give a fair rate of interest upon the capital subscribed by the shareholders from the inception of the company to the present time, the amount received by way of dividends to be taken into consideration, and the company's debentures to be taken over. Under such an arrangement the company would hand over to the colony the fully equipped railway, the lands, and all its other assets. Proposals on the basis suggested by the Premier have recently been received from Mr. Wethered on behalf of a large body of shareholders in London, and the directors subsequently submitted proposals on the same basis, such proposals being subject to confirmation by the shareholders. This is the situation at the present time. The proposals are now under consideration, and require to be gone into very carefully.

It is intended to introduce a measure empowering the Government to enter into negotiations on the lines hereinbefore mentioned, and to take the necessary