

months, and such favourable progress is now being made with the work that the northern and southern ends will shortly be getting into touch with one another. Of the total distance of 426 miles between Auckland and Wellington, no less than 323 miles are now open for regular daily passenger and goods traffic, and the rails are laid for twenty-one miles further, and the formation-works are either complete or in progress for twenty-seven miles beyond that, making a total length finished or in progress of 371 miles, which reduces the length of the untouched section to fifty-five miles, and this length is getting shorter practically every day.

The Otago Central Railway is also progressing satisfactorily, and public-goods traffic is now being carried as far as Ophir, while the formation-works are in hand well on the way towards Alexandra.

The extension of the Blenheim-Waipara Railway is progressing satisfactorily and expeditiously at the Waipara end, and ere long the line will be opened to Cheviot. For the present only operations have ceased at the Blenheim end, and the line stops at Seddon. So soon, however, as the taking of some of the large estates has been concluded, then a further section from Seddon southward will be proceeded with.

Other railway-works have been in hand in different parts of the colony, and fair progress made with them, full particulars of which will be given in the Public Works Statement.

NATURAL WATER-POWER FOR THE TRANSMISSION OF ELECTRICAL ENERGY.

Honourable members are aware that this subject has received a considerable amount of attention, and, consistent with the general wish, an electrical and hydraulic expert (Mr. L. M. Hancock, M.A.I.E.E.) was engaged to report upon the streams suitable for purposes of electrical energy in the several parts of the colony. Mr. Hancock's visit to the colony occupied eighty-two days, during which period he travelled 4,100 miles, making minute inquiries and a personal inspection of some thirty suggested sources of power including our principal streams and waterfalls. His report is now to hand and will shortly be in the possession of honourable members. As you are aware, the local bodies of the colony and private companies are directing their attention to the cheapening of motive power through the utilisation of the water power at present running to waste. Motive power being a leading factor in production, the cheaper it can be procured the more prosperous our industries will become; and a cheap power is now especially essential, seeing that there is keen competition with countries where electrical energy is largely used in manufacture. The following paragraph from Mr. Hancock's report is worthy of a place in this Statement:—

“In closing, I would say that I have seldom seen so promising a country, and I am sure that you will find that, next to your railroads, the utilisation of your water-powers by means of electric transmission of energy will do more to advance your material interests and to mitigate the evils of our civilisation than any other agency you can employ. The world is looking to you for the solution of many of its difficulties. The investigation you have had me make is in line with answering their queries, and the utilisation of the forces of nature one of the quickest means of reaching the solution.”

EXTENDED BOUNDARIES OF THE COLONY.

Matters in connection with the Cook and other annexed Islands have progressed satisfactorily during the year. The receipts of the Cook Islands Administration for the year 1903-4 were £5,310 4s. 3d., and the expenditure £4,558 3s. 9d. The exports amounted to £34,740, and the imports to £34,886. In Niue, which by “The Cook and other Islands Government Act Amendment Act, 1903,” was placed under a separate administration, the revenue for the financial year was £1,949 7s. 8d., and the expenditure £1,244 11s. 4d., while the exports for 1903 (exclusive of reshipments) amounted to £7,651 18s. 2d., and the imports to £8,001, of which latter amount £5,592 represents the value of goods from New Zealand.