

Full particulars of works carried out by the Department are to be found in the reports of the Engineer-in-Chief, Government Architect, and Chief Electrical Engineer respectively, which form appendices to the Statement, and I refer honourable members to them.

#### RAILWAY-CONSTRUCTION.

During the past financial year a total length of 27 miles 31 chains of railway was handed over to the Railway Department for incorporation in the general railway system of the country. The details are as follows:—

	M.	ch.
Kaihu Valley Railway .. .. .	4	54
North Auckland Main Trunk Railway (Okaihau Section) .. .. .	8	20
Napier – Wairoa Railway .. .. .	11	73
Greymouth – Point Elizabeth Railway .. .. .	2	44

In addition to the lines actually handed over, rails have been laid on 31 miles 40 chains, and goods traffic has been carried on over a length of 31 miles 58 chains, while traffic of all descriptions has been run by the Public Works Department over 118 miles 4 chains, the two principal sections being between Huarau and Portland, and between Tauranga, The Mount, and Awakeri. It is frequently more economical to carry on traffic under the control of the Public Works Department than to hand any portion of the line, immediately it is completed, to the Railway Department. This arises from a twofold cause:—

- (1.) The fact that the operations on portions of the line uncompleted require the running of ballast and other trains over completed portions, which, if these were under different control to the portions under construction, would be liable to lead to delays. Furthermore, it is frequently possible to work a restricted goods service in connection with the Department's ballasting and other constructional operations, thereby giving settlers facilities on the railway at the earliest date, and at the same time earning money with which to pay part of the interest-charges on capital which would otherwise be unproductive.
- (2.) It has another advantage, which is that time is given for the revealing of weak spots, the settling of unstable country, and the removal of slips, &c., so that by the time the Railway Department is asked to take control it can be reasonably assumed that all expenses which should fairly be charged to capital have been incurred. The last consideration has resulted in a good deal less line being handed over than was expected when my last Statement was written. Honourable members will recollect that phenomenal floods occurred in various localities during the past twelve months, which so damaged the railway, both the opened and the unopened, and so saturated the whole country, that it was thought desirable to retain the line for a considerable time longer in the hands of the Public Works Department. Given a reasonably favourable season, I anticipate that the Railway Department's large locomotives and other rolling-stock will be able to run over the whole length of the line from the far North to Auckland within the next few months, so that the general public will obtain all the benefits of continuous mileage even though a portion of the line may still not be in the hands of the Working Railways Department.

The most important move in connection with railway-construction which has taken place during the year has been the letting by contract of a portion of the Tauranga Westwards Railway, 18 miles 18 chains in length, to Sir W. G. Armstrong, Whitworth, and Co. (Limited). There was a fair amount of competition for the work, and I have every reason to believe that the substantial and well-established firm referred to, which has international experience, will carry it