

At the Kumara the sludge-channel has proved to be a very successful work, and the Government will ask Parliament to proceed at once with the construction of the upper dam.

The Argyle Water-race works at Charleston will be completed during the present year.

Among the proposals which will be submitted to the approval of Parliament is a road to Macetown, at a cost of £8,000. The want of this road has long been felt, and when completed will have the effect of cheapening freights and otherwise assisting a very promising portion of the gold fields.

The reefs at Aroha give considerable promise for the future, and the estimates contain a provision for assisting a tramway for the carriage of quartz from the mines in that district.

The harbour works which it is proposed to proceed with out of the £100,000 allocated to this class are principally the works at Greymouth and Hokitika. At Westport, to make the river serviceable for ships of considerable tonnage, a very large expenditure would be required, which Sir John Coode estimated at £488,776 for the two outer breakwaters alone; and even if these breakwaters are built to only half-tide height, as has been suggested, their construction will still require a very large sum, which it will be difficult to provide for one locality. The Government, therefore, is disposed to consider the possibility of making some concession to the coal companies in consideration of which they would contract to expend within a limited period upon approved harbour works a sum to be agreed upon. This class of expenditure also, it is confidently hoped, will disappear from the Schedule of future Loan Bills.

Generally, it will be the effort of the Government to make, to a much greater extent than has hitherto been the case, all further loans to be loans for railway construction. There can be no doubt of the enormous benefits which have accrued to the colony from its railways. As against the small difference of a little over 1 per cent. between their net earnings and the interest upon the cost of construction, the colonists have gained a cheap, safe and rapid haulage of goods, reaching last year to 1,437,714 tons, besides facilitating the travelling of passengers, increasing to 2,911,477 during the same period. The annual saving to the people thus obtained must of itself amount to a considerable part of the whole expenditure upon railways; in addition, the value of property served by the railway system has greatly increased. Moreover, the burden of the maintenance of a long length of roadway must be very much lessened by the relief afforded by the diversion of the traffic to the railways. The colony has also gained by the promotion of settlement, and by the greatly-increased prices obtained in some cases for Crown lands, as, for instance, on the Waimate Plains. I may be permitted to express here my regret that the State did not, from the commencement of the Public Works policy, take possession, at the then value, of considerable areas of land in suitable localities in the vicinity of the proposed railway lines in order to cut them up or sell them in small homesteads. This course would not only have largely diminished the cost of our railways, but would also have sensibly added to their earnings; and the direct and indirect taxation which this additional population would have contributed to the Treasury might have made it possible to alleviate to some extent taxation generally.

It is, therefore, almost superfluous for me to add, in conclusion, that the Government is thoroughly convinced of the advisability of completing our railway system; that it is an essential part of its policy to complete the construction as rapidly as possible of the main trunk lines in both Islands, and of desirable branch lines as soon as circumstances will permit; and that it will gladly see private enterprise supplement the work undertaken by the colony, by taking advantage of the Railways Construction Act of last year and of the District Railways Act. With this policy the colony will continue to make the progress and enjoy the prosperity which we now happily experience; and if the policy is carried out with prudence there is no reason to doubt that the prosperity will be enduring.