

his contract. Parliament will be asked to empower the Government to make arrangements with the contractor to ensure the completion of this work.

Otago Central.—Tenders will be advertised for a further contract in continuation of the Wingatui and Hindon sections. This will finish the heaviest works in the Taieri Gorge, and bring the line into the open country of the Sutton district.

Western Railways.—The works on the lines from Otautau to Nightcaps, Lumsden to Mararoa, and Riverton to Orepuki, will be steadily carried on.

East and West Coasts.—This line will not be lost sight of, and while no special portion can for the present be begun, the surveys will be continued during the summer. Hitherto only preliminary surveys have been made, and even these have not been completed on the routes which seem to present the greatest advantages. In the absence of the fullest information, it would evidently be impossible to give a trustworthy estimate of the cost of this undertaking.

I have abstained from burdening the above proposals with details of the mileage and cost of the various works to be undertaken; but very full information will be found in the Table No. I., attached to the printed Statement. This table is intended to form one of the Schedules to the Immigration and Public Works Appropriation Bill, in compliance with the provision in section 9 of the proposed Public Works Act, 1879, and this Bill, if adopted, will practically provide the guarantees sought to be obtained by Parliament in the Railways Construction Act of last year.

DISTRICT RAILWAYS.

Honorable members will regret to learn that nearly all the railway companies formed under the provisions of the District Railways Acts have been compelled to suspend their operations, owing to the general financial depression, and the defects which have been found in working those Acts. Applications have been received from most of these companies for assistance, on the ground that unless the Government assume their responsibilities the expenditure already made will be lost.

Some of these branches would form useful portions of our railway system, and with regard to these the Government propose to take power to treat with such companies as have begun work and are unable to complete their lines, and, in the event of satisfactory arrangements being made, to purchase them for the colony.

As the residents in the districts interested have shown their faith in the remunerative character of these lines, by laying themselves under an obligation to submit to the rating of their properties if the railways do not clear working expenses and interest on the cost of construction, it may, I think, be assumed that there is every prospect of the lines proving commercially successful. As the rating power is intended to be retained by Government, the risk will be reduced to a minimum, the Government being already liable to pay interest at 2 per cent. per annum.

WATER-RACES.

The vote proposed to be taken for Water-races is £39,883. This sum will be expended as indicated in the Estimates on works, which, while they promise to be beneficial, cannot be expected to be directly remunerative.

I now come to our proposals with regard to

ROADS.

We lay great stress upon these, both as promoting a solution of the Native difficulty in the North Island, and as fostering permanent settlement of the country in connection with the administration of a liberal land law.

Unless we steadily pursue a policy of progress, by opening up the country with roads leading to our main lines of railway, as well as in parts of the country where we are not likely to be able to establish railway communication, we can