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concerning these later lines, their General Manager, in his report of 6th July 1887, says, "Whilst our working expenses have fallen to a satisfactory rate, both per mile open and per train mile, I am constrained to observe that there is a probability of an increase in this direction on new lines."

"The economical construction of the railways has necessitated steep grades on most of the lines, which will militate against a profitable working should the

traffic increase as anticipated."

The gauges of the last series of railways which I have been alluding to are as follows—but, as before stated, the relative gauges cannot affect the question at present under investigation. In New Zealand the gauge is 3 feet 6 inches; in South Australia it is 5 feet 3 inches for about 490 miles, and 3 feet 6 inches for the remaining 930 miles; in Queensland it is 3 feet 6 inches; and in Tasmania it is both 5 feet 3 inches and 3 feet 6 inches (by means of a centre rail) for about 45 miles, and 3 feet 6 inches for the remaining 88 miles.

In view of all these facts I am convinced, that the proper principle for adoption in a young colony like this, is to construct our railways from time to time in such a way as to march along with, but not outpace, the requirements of the

existing traffic.

In that way the real requirements of the country will be provided for as they arise; lavish expenditure on stations and other works, in anticipation of traffic which may never ensue, will be avoided; and the burden of the interest on the cost of construction will fall gradually upon the country, as it grows able to bear it, instead of being imposed before its time, in the shape of a dead-weight of taxation, on account of expenditure for which there is no adequate return.

My remarks in this direction have been to some extent prompted by what has struck me as a tendency, which has recently been growing up, to build our later railways of a much more expensive character than was adopted for our earlier lines; or, in other words, to construct our new extensions of the character up to which it has been found necessary to bring the older railways; and I think myself that this is a mistake, as there is clearly no necessity to construct new railways, which are of the character of pioneer lines, through comparatively uninhabited country, of as high a class as the existing lines in populous districts, where large traffic has been already developed.

I would recommend, therefore, if we are to further extend our railways in the future, that we should revert towards the less expensive type of railway originally adopted, bearing in mind that these cheaper railways (provided that good grades are obtained in the first instance) can readily be improved and further equipped from time to time, so as to meet all the requirements that are likely to arise; and I should gather, from the facts which I have adduced in this connection, that such railways as we require in the shape of new extensions, should be produced,

in average country, at a cost not exceeding £6,000 a mile.

The conclusions which I have arrived at on this question may be concurred in or they may not, but in either case I do not think that I need apologise for having introduced the subject, as this question of the scope and type of our railways is, to my mind, the most important question which can engage the

attention of the colony in connexion with its public works.

The determination of such questions as this, in fact, necessarily affects the whole of our present and future policy in connection with railway construction, and as it is the determination of such questions as this, with wisdom or otherwise, which makes or mars the fortunes of private companies, so such determination must to a great extent go towards promoting or retarding the welfare of a colony.