

Plymouth and Wellington is concerned, will be brought into operation for the next summer season. Negotiations with the steamship companies for a regular service of connecting steamers between Auckland and New Plymouth are in progress, and will, I hope, lead to the desired result.

During the current year it is proposed to increase the train services between New Plymouth and Wanganui; to gazette the free carriage of returned empty butter-boxes, and thereby give some relief to our small settlers; to carry lime for agricultural purposes from local kilns for distances not exceeding a hundred miles for a period of two years free of charge; and to reduce the rate for New Zealand coal on the Wellington-Napier-New Plymouth Section from Class N to Class P, thus assimilating the rate to that in force in other parts of the colony. These facilities and concessions are estimated to cost £9,000 a year.

In view of the increasing revenue and the numerous concessions made to passengers, the farming and other colonial industries during the past three years it is considered nothing but right that the lower-paid men in the railway service should benefit to some extent. Under the Classification Act the platelayers, porters, and labourers employed by the Department at 6s. 6d. per day received no increase of pay; the Government has therefore decided to increase this rate to 7s. per day, and in the estimates for the current year is asking for a sum of money so as to bring the new rate into operation on the 1st day of January, 1899.

I am pleased to be able once more to pay tribute to the extreme care exercised by the staff in the working of the traffic with safety. The remarkable reputation enjoyed by our railways throughout the world for safe working is a matter for sincere congratulation, and reflects great credit upon the management. Nothing but a deep interest in the work can account for the results achieved, and we have reason to be thankful that, so far, New Zealand has been remarkably free from accidents of a serious nature. May such a desideratum long continue.

I claim to have fully demonstrated to honourable members that the time has now arrived when a considerable expenditure of capital must be incurred on the open railways, so as to place the management in a position to cope successfully with the increasing business. When we look to the experience of other countries we find that the capital cost per mile of railway has, in many cases, largely increased of late years, in some instances to the extent of several thousands of pounds per mile. In England it has increased from £49,257 per mile in 1883 to £57,304 in 1896. Beyond providing additional funds for locomotives in course of construction at Home and in America, the Government do not propose to ask for a greater sum than can profitably be spent in our railway workshops, and on additions to line accommodation, during the current year. This sum, including the cost of locomotives ordered from abroad, I estimate at £200,000, and Parliament will be asked to place that amount at the disposal of the Government for the purposes enumerated.

For the year ending 31st March, 1899, I estimate the revenue at £1,370,000, and the expenditure at £871,000.

The usual reports and returns are attached to this Statement.

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