

are going, rather far in the matter of providing railway facilities for our settlers, or, at any rate, that our expenditure is out of proportion to the smallness of our population. The Government does not hold this view, and a study of the following table will probably tend to remove any misapprehensions on the subject :—

TABLE showing the POPULATION per Mile of Railway and the EXPENDITURE on Railways opened for Traffic per Head of the Population in the undermentioned British Colonies.

Colony.	Population.	Expenditure on Railways opened for Traffic.	Miles of Railway open.	Population per Mile of Railway.	Expenditure on Railways per Head of the Population.
		£			£ s. d.
Natal	59,596	8,528,989	609	98	143 2 3
Cape of Good Hope	458,000	22,946,078	2,003	229	50 2 0
South Australia	362,604	14,326,765	1,882	193	39 10 3
Queensland	507,057	19,739,495	2,801	181	38 18 7
Western Australia	187,660	7,098,239	1,355	138	37 16 6
Victoria	1,204,175	40,145,404	3,228	373	33 6 9
New South Wales	1,366,410	38,932,781	2,818	485	28 9 10
New Zealand	833,137	18,170,722	2,227	374	21 16 2
Tasmania	172,979	3,659,069	445	389	21 3 1

From the above it will be seen that, with the exception of Tasmania, New Zealand's expenditure on railway-construction per head of the population is the lowest in the Australasian or South African Colonies.

We must consider the necessities of our settlers, and provide facilities for conveying the product of their labour to market at the lowest possible cost. We cannot ignore the loss that has occurred in the past by the destruction of valuable timber owing to the absence of means of conveying that necessary article to the centres of population; and, instead of too hastily diminishing our expenditure, we ought to complete our main lines of communication and steadily proceed with the other works now in hand. It was this view of the case that induced the Government to propose larger appropriations for railway purposes during the last five or six years, and the same view actuates me in submitting my present proposals.

Our total expenditure on railway-works (not including additions to open lines) during the last twenty years has been as follows :—

£	£	£	£
1882-83 ... 318,387	1887-88 ... 347,539	1892-93 ... 208,282	1897-98 ... 194,869
1883-84 ... 367,495	1888-89 ... 216,650	1893-94 ... 168,262	1898-99 ... 194,260
1884-85 ... 451,187	1889-90 ... 184,049	1894-95 ... 171,236	1899-1900 ... 199,580
1885-86 ... 335,789	1890-91 ... 167,093	1895-96 ... 158,618	1900-1 ... 392,691
1886-87 ... 321,629	1891-92 ... 120,729	1896-97 ... 142,514	1901-2 ... 560,712

I will now give a brief sketch of the several railway-construction works which have been in progress since my last Statement was made.

KAWAKAWA—GRAHAMTOWN.

Work has been in hand at both ends of this line—viz., at the north end between Kawakawa and a point eight miles southwards, and in the south between Opau Wharf and Grahamtown; while a survey party has also been at work locating the position of the unconstructed section in the middle. The formation and bridges on the first five miles at the northern end are finished, and the rails laid on four miles and a half—viz., to the point where the ballast-pit line runs off. This latter line, which is a mile and three-quarters long, has also been formed, and the laying of the rails upon it is now in progress. The formation of the balance of the eight-miles section of the main line is about three parts done. At the southern end earthworks have been started, but no great progress has been made, as there is no object in pushing the earthworks at this end until the contractors for the Whangarei Bridge have made some headway with their work. The contract for this bridge was let in May last to Messrs.