At the Seaward Bush end nothing has been done since my last Statement was made, as no surveyor has been available for the work, owing to the unusual amount of survey-work in hand last year. An experienced surveyor will be at liberty shortly, when the necessary work to enable a final decision to be come to as to the route to be adopted will be undertaken.

The expenditure on the railway last year amounted to £5,798, and for the

current year a vote of £10,000 is proposed.

RIVERSDALE-SWITZERS.

The contract for the combined road and railway bridge over the Mataura River is proceeding, but the work is not making very good progress. The contract time for the erection of the bridge expired in May last, but it is likely to be several months yet before it is finished. In consequence of the slow progress of the bridge, the expenditure last year amounted to £1,251 only. For the current year a vote of £4,000 is provided.

OREPUKI-WAIAU.

The section to Waihoaka, four miles and a half in length, has been completed, and was handed over to the Railway Department for regular traffic last month.

The expenditure last year amounted to £6,368, and the vote proposed for the current year—to provide for the cost of completing the line to Waihoaka—is £8,000.

TOTAL APPROPRIATIONS FOR RAILWAYS.

In addition to the sums already mentioned, appropriations of £1,000 each are proposed for old land-claims and for surveys of new lines respectively; also £60,000 for permanent-way materials. This brings the total proposed appropriations for railway-construction purposes up to £555,000.

CO-OPERATIVE SYSTEM.

The co-operative system has worked satisfactorily. By this system a good workman can make a good wage, while the inferior workman is paid only the value of the work he performs. It is the latter class who complain that the rates paid are upon too low a scale, and it is difficult to make them realise or admit that they are less competent than their fellow-workers. The instructions to the departmental officers are "that the rate of pay fixed for any work is to be such that a man of average ability, working up to his ability, can earn for his day's labour the rate of wages ruling in the district for that class of work." I learn from inquiries recently made of all engineers in charge of works that this instruction has been closely adhered to.

The test of the matter, as applied to railway construction, is shown by the cost of that class of work prior to and since the coming into operation of this system. A return was recently laid upon the table of the House showing (1) that the mileage cost (exclusive of additions to open lines and rolling-stock) of all Government railways opened for traffic up to the 31st March, 1891, was £6,808; and (2) that the mileage cost (also exclusive of additions to open lines and rolling-stock) of all Government railways opened for traffic between the 1st April, 1891, and the 31st March, 1903, was £6,762. The figures in each case are exclusive of provincial and district railways taken over by the Government.

While the cost of construction under the co-operative system is thus shown to be less than under contract, honourable members are aware that we are also now using heavier rails and more sleepers per mile; that our bridges are in most cases now built of steel instead of perishable timber, thus minimising the cost of future renewals; that the cost of all material and labour has increased; and that more extensive station accommodation, especially in the shape of buildings for employees, length of platforms, and sidings, is now provided than during the period first mentioned.

The improved construction and the lessened cost prove conclusively that the colony is obtaining satisfactory results from the co-operative system, and, on the other hand, there are many men who, after working as co-operative labourers for a time, have taken up holdings under our excellent land laws,

and are now numbered among our prosperous settlers.