

accomplished in one day. The formation works on the railway are well in hand from Broken River onwards, and can be finished to the Bealey Station by the end of 1908, so that the east and west coast portion of the Midland Railway will be entirely finished before the tunnel is available for traffic.

Good progress has also been made with the Otago Central line; and the section between Omakau and Chatto Creek has recently been opened for traffic. The rails between this point and Alexandra are now being laid, and the bridge over the Manuhērikia River, near the Alexandra township, is nearing completion. The railway will be available for traffic to Alexandra by November next, and to Clyde by the end of the financial year.

OVER-SEA TRADE.

I am pleased to state that this Government, conjointly with the Canadian Government, has concluded a contract with R. A. Alley and Co., of Tacoma, for a direct bi-monthly cargo service between New Zealand and Canada. The company's steamers have already taken up the running, and it is anticipated that good results will follow, as the opposite seasons of the two countries offer excellent prospects for the export of our butter, frozen meat, &c. In order to facilitate trade in these products, negotiations are now in progress for the substitution of boats fitted with refrigerating plant in lieu of those at present employed in the service, and arrangements will be made to prevent them from combining with any other line of steamer trading to Vancouver, so as to insure the lowest possible rates being obtained for the producers of the colony.

The possibilities of establishing export trade to the Far East is receiving the attention of the Government, it having been ascertained that the Australian States had developed a considerable trade with Japan, China, and the Straits Settlement. Our Trade Commissioner was directed to visit these countries, and it is now evident that our wool, frozen mutton, and butter should there find a market. Inquiries have already been instituted in the direction of providing for a direct steam trade-service from New Zealand.

The advantages of having a line of steamers trading fortnightly from Great Britain to New Zealand, *via* Suez, are considerable, and the High Commissioner will be instructed to enter into negotiations in order to arrange that the steamers which are now being built to carry out the contract with the Commonwealth of Australia, shall come direct from Adelaide to New Zealand. Should these negotiations result in tangible proposals, they will, as in all such cases, be submitted to Parliament for ratification before any commitment on the part of the colony is made.

The Trade Commissioner, upon his return from the East, will be directed to proceed to Canada in order to assist in the development of trade from New Zealand to that country.

SCIENTIFIC AGRICULTURAL METHODS.

Following up the line of scientific development and the application of the most up-to-date methods to agriculture, the Government intends to establish at an early date in connection with the dairy industry a complete experimental station and school of instruction in which the scientific lessons of other countries will be analysed and investigated under New Zealand conditions of food, climate, and soil, and the necessary modifications obtained and applied to the production of butter and cheese. By this course only can the top position be obtained and retained on the London market for our produce.

WORKERS AND THE LABOUR LAWS.

In the best interest of both labour and capital it is essential that the work of the Arbitration Court should be expedited, and for this purpose the Government proposes that the President shall be relieved from judicial work in the Supreme Court. In other respects the labour legislation has been working satisfactorily, though one or two improvements are contemplated.