

Making a short review of the railways actually under construction, it can be said that the North Auckland Main Trunk Railway is now making good progress, and will soon reach Rangiahua, on the Hokianga River. On investigating the position, I considered it wise to continue the North Auckland Main Trunk line so as to connect with the existing Dargaville—Kaihu Valley Railway, an isolated section of twenty-four miles. This will have the effect of bringing a large area of country on the west coast beyond Dargaville in touch with the main railway system. Work will be proceeded with at a pace which will give the best results considering the physical obstacles to be overcome, and it is hoped to complete this connection within two and a half years.

The extension of the East Coast Main Trunk Railway has been discontinued at Taneatua, and I propose to await the results of the constructed portion, and to ascertain to what extent the local population patronize the railway facilities in preference to other methods of transport running in opposition thereto, before coming to a conclusion as to what further extension is warranted.

The Napier—Gisborne Railway will be carried on to Wairoa, which will take some years yet, and before that length is completed a definite decision will have been made concerning the route to be followed on the further connection from Wairoa to Gisborne, and the governing points on that length will be put in hand, so that when the time comes for a forward push from Wairoa the time for making the connection to the existing railway at Gisborne will be reduced as much as possible.

The Stratford Main Trunk Railway is now located definitely, and a programme of works entered upon, as a result of which it is hoped to have a through connection completed in from four to five years. Of course, the actual rate of progress will be governed by the amount of money which Parliament makes available; but even without this restriction I do not think it would be economically possible to complete within four years.

In the South Island the only railway on which at present it is proposed to proceed vigorously is the connection between the Westport Section of railway and the Midland Railway system at Inangahua Junction, by which connection the rich bituminous coalfields of the Buller district will be brought in touch with the greater part of the South Island by direct rail connection. When that connection is well under way a forward movement to connect with the Midland system can be taken up. At the present time the railway works in the North Island are proceeding in accordance with a programme, but indications point to the possibility of releasing a certain number of men and money fairly soon, and immediately it becomes possible, without unduly inflating the Railway Vote, more money can be devoted to this end. Although good service has been rendered to the community by the action of the Railway Department in extending its service by car and lorry as far as Murchison, there is no doubt that it is difficult for any isolated section of railway to show a good financial result, the tendency under modern conditions being undoubtedly for the motor to take the short hauls and the railway the long and heavy work.

A total vote of £984,000 is proposed for railway-construction, as against £1,007,000 last year.

The three important railway deviations—namely, (1) at Westfield, near Auckland, which is being constructed to avoid the heavy grades immediately after leaving Auckland, and also to provide the increased station facilities which the growth of business absolutely demands; (2) the Palmerston North Deviation, which will take the business of the Main Trunk line outside the fast-growing town of Palmerston North, and provide the extra station facilities which could not be provided at the present station-yard location within the city limits for this, one of the most important junctions in New Zealand; and (3) the Tawa Flat Deviation, immediately outside Wellington, which is being constructed for much the same reason as the Westfield Deviation at Auckland—which form a substantial part of the works included in the scheme of the Railways Improvement Act, will all be vigorously pushed to completion.

The most noteworthy fact in connection with hydro-electric development has been the decision of the Government to proceed with the development of power