

That programme was based largely on the schedule of essential works put forward by Mr. (now Sir) E. H. Hiley (the then General Manager) in his 1914 report. In presenting my programme for 1924 I emphasized that the position in regard to works which were urgent in 1914 had become acute during the succeeding decade, the revenue having increased between 1914 and 1924 by nearly £3,000,000, the passengers carried by 5,000,000, and the goods traffic by 1,000,000 tons.

The 1924 report was drawn up in consonance with the Government's general policy of national development in regard to land, hydro-electricity, telegraphs and telephones, wireless, irrigation, roads, highways, &c., each phase being related to the extensive programme of development of the country's facilities that must proceed if the full resources of the Dominion were to be applied towards the public welfare. It was pointed out that since 1914 over 200 miles had been taken over by the Working Railways Department, and that during the period of the programme a further 427 miles would be taken over.

Since the 1924 programme was submitted the following sections and mileages of line have been taken over by the working railways:—

						M.	ch.
Pukemiro to Glen Afton	..	..	..	..	..	1	43
Arthur's Pass to Otira	..	..	..	..	..	8	10
Kohuratahi to Tahora	..	..	..	..	..	5	5
Makaraka to Ngatapa	..	..	..	..	..	11	40
Westport to Cape Foulwind	..	..	..	..	..	7	04
Tuatapere to Orawia	..	..	..	..	..	8	13
Huarau to Portland	..	..	..	..	..	30	41
Whangarei to Keoreroa	..	..	..	..	..	1	25
Te Roti to Opunake	..	..	..	..	..	22	77
Glenhope to Kawatiri	..	..	..	..	..	3	70
Hutt Railway deviation	..	..	..	..	..	2	65
Beaumont to Roxburgh	..	..	..	..	..	24	0
Waihi to Taneatua	..	..	..	..	..	109	66
Waiotira to Kirikopuni	..	..	..	..	..	13	71
Total	..	..	..	..	..	250	50
Less Wairio to Nightcaps (lifted)	..	..	..	..	..	2	14
Net total	..	..	..	..	..	248	36

This extra mileage has drawn further upon the rolling-stock resources of the system and has accentuated the necessity for the adoption of methods to secure operating improvements.

Notwithstanding the very heavy commitments necessary in the first year of the programme, the Government added to these by deciding to proceed with a complete reorganization of its locomotive workshops. (A full review in connection with this work appears elsewhere in this Statement.)

Experience gained during recent years from a study of the rapidly changing conditions in the field of transport, whilst fully justifying the policy that had been laid down, calls for an amplification of the original programme, and, in addition, expanding business in new directions requires additional facilities. For instance, in regard to the future of tourist and special services, we look for an increase in this class of business, and efforts are being made to provide accommodation sufficiently satisfactory to attract and hold our customers. The standard of service demanded is becoming higher year by year—partly due to other forms of transport necessitating the extension of facilities, in keeping with the times, to ensure more economical and efficient service to the public.

In preparing the above schedule each individual work was exhaustively examined and classified according to its urgency, and the wisdom of this course of action has been fully borne out in practice.

The whole scheme was entirely based on economic grounds, and looked upon as a necessary investment. It has now become apparent that developments in new directions, for which no provision was made in the original programme, have become essential, the most important being electrification at the important termini, a subject which I have now under consideration.

These changed conditions have necessitated a complete review of the works contemplated, and I have asked the General Manager to arrange for fresh proposals