

As the landowners around these railways have to pay rates to make up any deficiency in the interest on cost, as fixed by statute, separate accounts will have to be kept, and the question of rates and charges will have to be watched with great care, as the ratepayers' interests do not always coincide with the interests of those who use these railways. The charges on all these lines require revision, and the matter is now being carefully considered.

RAILWAYS IN COURSE OF CONSTRUCTION AND PROPOSED, INCLUDING ADDITIONS TO OPENED RAILWAYS.

WHANGAREI-KAMO RAILWAY.

A survey has been made of the proposed extension of this railway to deep water, and the probable cost is estimated at about £40,000. As an alternative to this project, inquiries have also been made as to whether the navigation can be in any way improved, and I am informed that a good effect may be produced by removing some of the rock from the channel. If this can be done at a moderate cost, the work will be put in hand, but, till there is money forthcoming to extend this railway to the kauri forest at Puhipuhi, the Government cannot recommend the expenditure necessary to take the coal alongside ocean-going steamers. The railway to Puhipuhi and extension to deep water are estimated together to cost about £100,000.

EXTENSION OF THE TRUNK LINE NORTHWARDS FROM HELENSVILLE.

The Government has not altered its opinion, as given in my Statement last year, with reference to the merits of this line, and therefore again proposes that a vote shall be taken to provide for its extension to the first point which will be found remunerative, a distance of about 9 miles. The line can then be continued northward, section by section, as funds are provided. As was also shown last year there are timbered lands and valleys containing considerable areas of rich agricultural land, well fitted for settlement throughout the proposed route of this railway, and the cost per mile would not be more than the average of our railways already constructed. It is estimated that the cost of extending this line to Omapere, a distance of 110 miles, will be about £715,000.

I am also assured that, if found desirable, the railway can be continued northwards to the Victoria Valley, at about the same average cost per mile.

The authority which I propose to ask the House for, on account of this railway, will provide for about 12 miles of formation, but, as no working survey has as yet been made, a contract cannot be let for some months to come, and the actual expenditure during this financial year will not therefore exceed about £4,000.

KAIPARA-WAIKATO.

Several further improvements in the curves and gradients of this railway have been made during the year, with the view of reducing the cost of working the line between Helensville and Auckland. Plans have been prepared for a considerable deviation in the vicinity of the Kingsland Station, but the cost of the work is too much to permit of its being undertaken at present.

Between Mercer and Taupiri we have also cut down the two steep gradients that existed, and we shall thus be able to do all the work on that line with a lighter class of engine than that hitherto used.

A new siding has been laid in at the Newmarket Junction, which will be the means of making considerable saving both in the time of running the trains and the cost of working the traffic; and at the same time we have prepared the ground at Newmarket for additions to the workshops.

The new passenger-station at Auckland has been opened and in use for some months, and, although long delayed, Auckland has now a station well suited to its requirements.

It has also been found necessary to make large additions to the accommodation at the Ruakura Junction in order to work the lines which are so rapidly increasing in length in this district, and still further expenditure will be necessary at this spot.