

The inadequacy of this railway to carry the traffic between Auckland and Penrose has long been felt, and the Government now considers that the time has come to lay a second line alongside existing track, or else to construct a relieving-line, either *via* Remuera to Penrose, or *via* Freeman's Bay to join the Kaipara line. The first of these plans would probably be the cheaper, but, as against that, the grade along that route is considerably steeper than it would be along either of the loop-lines, and the question of route has not as yet been absolutely determined. As it is necessary that the work should be commenced very shortly, however, I have decided to ask the House to authorize a sum of £23,000 to cover so much of the work as may be undertaken this year, but of this sum not more than about £5,000 will be expended before end of March next.

The survey of the branch railway to coal-mine at Huntly has been completed, including plans for a bridge over the Waikato River, ready to call for tenders, but as the promoters have not as yet been able to see their way to accept the terms offered in "The Railways Authorization Act, 1884," nothing further has been done in the matter.

HAMILTON—GRAHAMSTOWN.

Hamilton—Te Aroha.—This line was opened for public traffic on the 1st March last.

Grahamstown—Te Aroha.—Considerable progress has been made with the construction of this line during the year. Some difficulties have occurred owing to the Native landowners objecting to the surveys being proceeded with; but the officers of the Native Department have agreed with the Natives, and no further trouble is anticipated. The authority which will be asked for in Estimates provides for completing the two sections of this railway on which work has already been done, namely, the Kaueranga section, $4\frac{1}{2}$ miles, and the Hikutaia section, $8\frac{1}{4}$ miles. The former of these requires stations and fencing, &c., and the latter requires bridges, platelaying, and stations.

MORRINSVILLE TO ROTORUA RAILWAY.

The purchase of this railway was completed on 21st December last, and its construction is being carried on under the agreement sanctioned by the House last year.

Morrinsville to Lichfield.—On the portion from Morrinsville to Lichfield the first length from Morrinsville to Oxford was opened on the 8th March last, and the remainder to Lichfield is now practically finished. I found, on examination, that the works on the line had been very satisfactorily carried out, and the rolling-stock imported is all of good quality.

Putaruru to Rotorua.—On the Putaruru to Rotorua division the first section, some 8 miles, is now ready for contract, and tenders can be advertised for it at any time.

A great deal of trouble has been taken to locate this line, but, although the route, throughout, has been definitely determined upon, the detailed surveys of the portion of the Rotorua Bush are not yet completed. The authority proposed to be asked for in this case will provide for the letting of two formation contracts, of about 8 miles in each, amounting in all to £70,000 or £75,000, of which, however, only about £15,000 would be expended during present year. The length from the Rotorua Bush to Rotorua is surveyed and staked out ready for contract, but it is not proposed to put this portion in hand till the remainder of the line is well advanced; and, owing to the recent changes that have taken place in this district, the location of the Rotorua end of the line, and its construction, will be very carefully considered before any works are undertaken.

MAIN TRUNK RAILWAY, NORTH ISLAND.

As my colleague, the Colonial Treasurer, has already stated, there is now every prospect of the Government becoming possessed of large tracts of land along the route of this railway, and we consider that the work ought to be