

many years are over, there will be large swift steamers running between Australia and the West Coast Fiords, doing the passage in three days, and that land communication will be established between the coast and the central and western lakes of Otago and the glacier region of Mount Cook. In the North Island the Wanganui River will be made accessible, and form a fitting extension of the line of wonders in the Hot Lake district. From end to end of the two Islands there is a succession of natural attractions unsurpassed in any country, and the work of making them known and accessible is one that comes legitimately within the scope of colonisation.

The Railway Commissioners have applied for £54,000 for necessary works on open lines during the year. As the balance on the loan allocation for this class of works was only £12,928, we have been unable to see our way to propose a vote for more than that sum. This amount is to cover liabilities already incurred, the rearrangement of the Palmerston North Station, and minor works over all the lines.

RAILWAYS UNDER CONSTRUCTION.

Helensville Northwards.—A contract was entered into in March last for the construction of the Makarau Section, three miles of the line north of Helensville, commencing at Kanohi, in the Kaukapakapa Valley, and including a tunnel 627 yards long through the ridge that divides the Kaukapakapa and Makarau watersheds. Working surveys of the line have been carried on for 7 miles beyond the Makarau Section, and a contract is in preparation for the Tahekeroa Section. A contract has also been entered into for the construction of a wharf at Mount Rix, 2 miles below Helensville. This will save the navigation of the shallow portions of the Kaipara, and allow the steamer-traffic to be carried on at all states of the tide.

After providing for liabilities, the balance on the allocation for this railway is £21,042. This will be absorbed by an extension of five miles, and the continuation of the surveys. It is proposed to let a contract for the Tahekeroa Section during the year.

Grahamstown—Te Aroha.—The only works in progress during the year on the Grahamstown—Te Aroha line were culverts through the reclaimed land in Grahamstown, and other drainage-works on the Ohinemuri Section.

The small vote proposed is to cover liabilities, land claims, and other contingencies. It is not intended this year to put any new works in hand.

Putaruru—Rotorua.—A contract was entered into in February last for the construction of the Kaponga Section, 10½ miles, which brings the line to Okohiriki, a point about 12 miles from the Rotorua Township.

North Island Trunk Railway.—With the exception of the Poro-o-tarao Tunnel, the works on the North Island Trunk Railway are at present at a standstill, the Waiteti Section having been handed over to the Railway Commissioners in May last. The tunnel also is just approaching completion.

The cash balance on the North Island Trunk Railway Fund on the 31st March last was £386,985, against which there were liabilities to the amount of £9,694. There is also a further sum of £97,744 set apart for the purchase of Native lands under the North Island Main Trunk Loan Application Acts. The balance, therefore, at our disposal for fresh undertakings is £279,547. Of this amount it is proposed to devote a further sum of £40,056 for constructing roads to and through the Native lands recently purchased. This leaves £239,491 at present available for the extension of the railway, but the lands bought, and the expenditure on their improvement, are simply an investment of the railway funds, which can be drawn upon from time to time as required.

The total expenditure on land along the North Island Trunk Railway to the 31st March last has been £122,541. Of this amount £89,247 has been paid for 630,283 acres, of which the purchases are complete, and £33,294 on account of blocks under negotiation.

One of the most valuable tracts of land along the line is the Awarua Block, which commences at Powhakarōa, about 12½ miles beyond the present terminus at Rangatira, and negotiations for the purchase of which are now in