

The vote passed for the Midland Railway last session was £50,000, but the expenditure on the work amounted to £54,494. A vote of £60,000 is asked for this year.

Honourable members are no doubt aware that certain of the debenture-holders applied to the Supreme Court in the colony for the appointment of a Receiver in July, 1898, and a conditional appointment was in due course made by the Judge, without the consent of the Crown. In pursuance of the conditions attached to the appointment, an application was subsequently made to the Court by the Receiver for permission to sell the railway. This application was opposed by the Government, who further asked that the powers of the Receiver should be restricted to dealings with property of the company other than the railway. Both motions came before the late Chief Justice and Mr. Justice Edwards, sitting together, in December last. After an exhaustive argument judgment was delivered in favour of the Crown. The Receiver appealed against this judgment, the appeal being heard by Judges Williams, Conolly, and Denniston, in May last, the result being that the decision of the Court below was strongly upheld. Copies of both these judgments have been presented to Parliament. The debenture-holders have now appealed to the Privy Council, and the case is expected to come on for hearing in London early in December next. The delays that have taken place have stopped settlement within the area of land reserved for selection by the company; but should the decision of the Privy Council be in favour of the colony, every expedition will be exercised in throwing this land open for settlement.

SURVEYS.

In addition to the surveys already referred to—namely, Hukerenui-Kawakawa, Motupiko-Hope Valley, the Rimutaka deviation, and the Waipara-Cheviot Railway—field-work has been in progress throughout the year on the projected line between Napier and Gisborne. Between Napier and Wairoa three lines have been explored, and aneroid heights of the principal points determined, and between Wairoa and Gisborne two routes were examined. The route finally selected between Napier and Wairoa, and of which the trial survey is now being made, is that by the Esk Valley. Over forty miles of trial line have now been run, the country being of a very rough character. The ruling gradient obtained is 1 in 40, with six-chain curves. The survey is still in hand, and will take several months to complete. A reconnaissance survey was also made by Mr. James Stewart, M.Inst.C.E., of Auckland, a former district engineer of the Department, for lines of railway between Gisborne and Rotorua, and Gisborne and Opotiki. Mr. Stewart's report on these surveys is printed as an Appendix to this Statement.

The survey of the unlocated portion of the North Island Main Trunk Railway has also been in progress during the greater part of the year, and the location of the line may now be regarded as practically completed. The small amount of work still remaining to be done in the field can be easily and expeditiously accomplished as soon as spring weather sets in. The survey, and preparation of plans, are now so far advanced that the cost of the line may be estimated within narrow limits of error. As promised during last session, a further examination of the country along the Ngairi, Waitara, and Awakino routes has been made, and a very carefully prepared and interesting report on these routes, and a comparison of them with the Central route, has been made by Mr. R. W. Holmes, M.Inst.C.E. Mr. Holmes was assisted in this task by Mr. A. C. Koch, an Assistant Engineer, who has been many years in the service of the department, and has had experience in exploration surveys. Mr. Holmes's report, to which Mr. Koch's report is attached, will be found as an appendix to this Statement, and will well repay perusal. Reports on the character of the land along the Ngairi and Central routes have been obtained from experienced officers of the Lands and Survey Department, and will also be found attached to this Statement.

The trial survey of an extension of the Blenheim-Awatere Railway southwards to a junction with the North Canterbury railways has also been in