

during the financial year, as questions regarding the legal ownership of the land had to be dealt with, and an old-standing claim by Mr. Daniel Fallon in respect of construction-works on the line carried out for the Kaihu Valley Railway Company had also to be settled before anything else could be done. I am glad to say that both of these difficulties have now been removed. The claim of Mr. Fallon has been satisfactorily settled for a payment of £2,000.

Before starting construction-works it was necessary to have a resurvey of the line made. This is now in progress, and we shall shortly be in a position to commence operations in the matter of restoring the earthwork formation. The length of the projected extension is 2 m. 20 ch., and, as a good deal of the work was done many years ago under Mr. Fallon's contract, the task of completing it and laying the permanent-way will not be a very lengthy or expensive one. I am in hopes that the line will be opened for traffic before next year's Public Works Statement is delivered.

The vote proposed for the current year is £15,000.

KAWAKAWA—GRAHAMTOWN.

The work of closing up the gap between Kawakawa at the north and Hukerenui at the south end of this railway is now approaching completion. The section between Hukerenui and Towai, 4 m. 31 ch. in length, was opened for traffic in May last, and the rails on the remainder of the line between Kawakawa and Towai were linked together in July. A great deal of work still remained to be done in the shape of ballasting, erection of station buildings, and general finishing-works, and these are now well in hand, and I am expecting to be able to hand the line over to the Railway Department for regular working about Christmas.

The works on the extension from Whangarei to Grahamtown are also in a forward condition. The Grahamtown Wharf is practically completed, and the whole section should be ready to hand over to the Railway Department early in the new year.

The expenditure on this railway last year amounted to £51,137, and for the current year a vote of £65,000 is proposed.

KAWAKAWA—HOKIANGA.

Honourable members will recollect that the construction of the first section of this railway—namely, to Kaikohe—was sanctioned in the Railways Authorization Act of last year, and a small vote of £2,500 was provided on last year's estimates to make a commencement with the work. The survey of the line was put in hand last autumn, and as soon as a reasonable distance had been finally located construction-works were put in hand, and are now proceeding satisfactorily.

As it is intended to transfer to this line the bulk of the men at present employed on the Kawakawa—Grahamtown Railway, as from time to time the works on that line are completed, a substantial vote will be required for the current year, and an amount of £40,000 has been provided on the estimates accordingly.

NORTH AUCKLAND.

A very large amount of work was carried out on this railway during the year. The section between Wellsford and Te Hana—3 m. 27 ch.—was opened for traffic in May last. The works on the next section, to Kaiwaka, are in a forward state, and the Otamatea and Bickerstaffe sections are also well in hand. As it is intended to proceed vigorously with the construction of this railway, it is desirable that an additional section of the line should be authorized, and provision will accordingly be made in this year's Authorization Bill for the extension of the line to McCarroll's Gap.

Last year's expenditure amounted to £59,299, which is the largest expenditure which has ever taken place on the line in one year since the works were started. For the current year a still larger vote—namely, £100,000—is proposed in order to proceed with the work more vigorously.