

been spent, and there were liabilities outstanding on 31st March last amounting to £439,593; and, in addition to these liabilities upon works, there had been transmitted to the Agent-General, for the purchase of rolling-stock and permanent-way, authorities to contract to the amount of £210,205. As a detailed statement of the progress of the works is contained in the reports of the Engineers of both Islands, which as usual accompany this Statement, I shall not trespass upon the attention of honourable members further than by a very brief reference to them. Owing to the determination of the Government not to anticipate the proceeds of the loan, which was not raised until January, the entering into new contracts was postponed, with the result that the expenditure was somewhat less and the outstanding liabilities more than will probably be the case generally.

RAILWAYS.

About 40 miles of railway were opened for traffic during the year: these consisted of $1\frac{3}{4}$ miles on the Whangarei-Kamo line, and $38\frac{1}{2}$ miles on the Hurunui-Bluff section in the following localities:—

Waipara to Waikari, 9 miles.

Lincoln to Birdling's Flat, 17 miles.

Ashburton Branch Extension, $8\frac{1}{2}$ miles.

Edendale to Wyndham, 4 miles.

Thus making a total length opened for traffic of 1,373 miles.

The sections between Waverley and Manutahi, 16 miles, from Oxford to Malvern, $11\frac{1}{2}$ miles, and from Albury to Fairlie Creek, $10\frac{1}{2}$ miles, are on the point of completion.

I am glad to say that the Whangarei-Kamo line was opened for traffic in November, and that the Kawakawa line is nearly completed. The directors of the coal company have been applied to, in accordance with the Act of 1880, to ascertain if they are prepared to take a lease of this line upon certain terms.

At Auckland a contract has been entered into for the reclamation of a site for a suitable station. The contract has been taken over by the Harbour Board, and is expected to be finished about the end of the year. The construction of this station will be a great convenience both to the public and the department. The other improvements in the Auckland section, including a large engine-shed at Auckland, will be mentioned in more detail in the report of the General Manager.

Upon the Waikato-Thames section the Hamilton Railway-bridge will, it is expected, be finished this month; the contracts for the erection of the bridge at Te Aroha, and for the formation between Morrinsville and Te Aroha, have been let; and it is intended shortly to invite tenders for platelaying between Hamilton and Morrinsville, and between Hamilton and Cambridge.

Upon the Napier section progress has been slower than was anticipated, and the works, which, when the statement was made last year, it was thought could be finished by last month, will not now be completed until September. The further formation to Tahoraite will be completed by the end of December, when platelaying and other necessary works will be proceeded with, to complete this portion for traffic. This will make an additional length open of $11\frac{1}{2}$ miles.

On the Wellington-Woodville line an extension of the line from Masterton to Opiki has been let by contract, to be finished in December, and a contract has been let for the railway-bridge near Woodville.

FOXTON-NEW PLYMOUTH.—It was expected last year that the section between Waverley and Manutahi would have been completed by December last, but unusual difficulties have been experienced on the Whenuakura contract, and have prevented this; it is hoped, however, that this section will be ready this month.

A portion of the gap described in last year's Statement as lying between Manutahi and Hawera has been made the subject of a contract, and it is proposed to call for tenders at an early date for the remainder, about 6 miles.

This will complete the main line from Foxton to New Plymouth, and its completion will, I have no doubt, be a source of satisfaction to honourable members.

NELSON-ROUNDELL.—A tender has been accepted for the formation of an extension of this line up the Wai-iti Valley, somewhat over $2\frac{1}{2}$ miles.