

Coming to the Picton Line, the formation on the first section of $4\frac{1}{2}$ miles south of Blenheim towards Awatere is finished, and a working survey has been made to the Dashwood Pass, 6 miles farther.

HURUNUI-BLUFF SYSTEM.—The formation of the Horseley Downs section is nearly completed, and tenders for the platelaying are about to be called for. The bridge over the Hurunui is in progress, and surveys have been made for the extension of the line to near the Red Post. The other principal works in progress on the main line consist of extensive additions to the workshops at Addington and Hillside, an entirely new station at Dunedin, what are practically new stations at Timaru and Invercargill, and considerable improvements at the Bluff.

Extensions have been made or are in progress on the following branches: Little River, Ashburton, Albury, Livingstone, Palmerston, Catlin's River, Tapanui, Toitois, and Seaward Bush. A contract has just been taken for a section of the Switzers branch, and another is in preparation for a section of the Kelso-Gore line. Sections have been opened during the financial year on the Little River, Ashburton, and Toitois branches, and $7\frac{1}{4}$ miles of the Albury branch were ready for opening when the late floods occurred and caused damages which it will take a few weeks to repair.

The **OXFORD-MALVERN RAILWAY** is the only line in Canterbury not included in the Hurunui-Bluff system. The last section of it is expected to be finished in August; thus completing the direct communication between the Malvern District and North Canterbury.

OTAGO CENTRAL.—A contract has been entered into for the formation of $4\frac{1}{2}$ miles onwards from the Deep Stream, one of the heaviest pieces in the Taieri Gorge, and the detailed survey of the whole line is finished. It is proposed to undertake more extensive works during the present year.

INVERCARGILL-KINGSTON AND WESTERN RAILWAYS.—A considerable number of various improvements have been made on open lines, and a platelaying contract has been let on the Lumsden-Mararoa branch. The works on the Orepuki line have been somewhat retarded through a change in the contractors, but they are now progressing favourably.

SURVEYS.—In accordance with a promise made last year, steps have been taken to explore the North Island for the purpose of determining the future route of the main trunk line of railway. Four survey parties are now engaged in this work, viz.: one party on the line recommended as being suitable from Hastings to Taupo, and thence to Te Awamutu; one party on the inland line, starting from near Marton or Feilding, and proceeding northward; and two on the line between Taranaki and Te Awamutu.

With respect to Public Works in the North Island, at the end of the current year, with the Kamo and Kawakawa lines finished, the Foxton-New Plymouth line nearly finished, the unfinished portion of the Waikato-Thames line in progress, and the gap separating Napier and Wellington lines sensibly reduced, the colony will recognize with satisfaction that the great efforts it has made during eleven years for railway-construction in this Island have achieved a large part of the results striven for, and that the necessary annual disbursements will have become much less.

So far as regards the continuation of the main trunk line, the Government is pressing forward the necessary steps to obtain as soon as possible the information necessary to enable Parliament to come to a decision as to which of the routes suggested should be adopted. In the meantime I am not in a position to submit to the House any recommendation on the subject, but of course provision for the necessary surveys will be asked for.

In the Middle Island the extension of the main trunk line northwards as far as the Red Post, which extension the Government recognizes to be desirable, and without which the extension between Waikari and Hurunui will not render its full service to the colony, is a work intended to be covered by the Schedule of the Loan Act, whether the line from Cook Strait connect with Canterbury at this terminal point of the railway from the Bluff, or at some other point in the north of Canterbury, as the route ultimately adopted may determine. The Government cannot come to a decision upon this question of routes until the