

that date the construction of the section between Hikurangi and Whakapara has been in hand. The formation is now approaching completion, and tenders have been invited for the supply of the sleepers required for the laying of the permanent-way. The necessary rails are already in stock in Auckland.

The expenditure on this railway last year amounted to £9,419. For the current year I ask for an appropriation of £8,000, which will nearly complete the line to Whakapara. At Whakapara we tap the vast Puhipuhi Kauri Forest. When this line is opened to that point we shall be able to realise this valuable asset, which has remained unutilised for so long, and the destruction of which, by fire, has several times seemed to be imminent. The prospect of an early completion of this section of the railway, coupled with the large demand now existing for kauri timber, renders it desirable that the timber in this forest should be sold at an early date.

The survey of the line from Whakapara to Hukerenui—3 miles 22 chains—is in hand, and will be completed shortly. The construction of this section will be put in hand as soon as the Whakapara Section is finished.

KAIHU VALLEY RAILWAY

The first section of this railway—16 miles 20 chains in length—was constructed by the Kaihu Valley Railway Company under the authority of the Railways Construction and Land Act, and mortgaged to the Government as security for a guarantee by the Crown of debentures issued by the company to the amount of £47,000. Possession of the line was taken in May, 1890, in consequence of non-payment by the company of interest on these guaranteed debentures, as explained in my Public Works Statement of 1891. The traffic on this railway has improved to such an extent lately as to justify the Government in making proposals for a short extension of the line.

A short section of about 56 chains in length is already formed beyond the present terminus, and considerable formation works have been done on another section beyond this again, but not finished. It has been urged that by finishing these works and completing the line to the Waima Station, at 19 miles 20 chains, a considerable increase in the traffic would be assured. We propose, therefore, to take a vote of £3,000 for the work, but its expenditure will depend upon satisfactory arrangements being made for acquiring the partially-constructed portions of the line.

HELENSVILLE NORTHWARDS.

Very little progress indeed was made with this line during last financial year, the expenditure thereon having amounted to £807 only. Since the close of the year better progress has been made, the expenditure from 1st April to 30th September having amounted to over £2,000.

The difficulties at the Makarau tunnel have at last been successfully overcome, and the work will therefore, I have no doubt, now be energetically pushed on to completion.

The delay at the tunnel has entirely prevented any work being put in hand beyond that point, but the further work contemplated last year will be commenced as soon as it can be carried out in an economical manner. The vote proposed for the current year is £6,000.

Several petitions have been presented to the House this year praying for the extension of this railway through the northern peninsula as far as Whangarei, there to join the Whangarei-Kawakawa line. The Government fully recognises the importance of this extension, but the limited means at our disposal render it impossible to make any proposals in reference to it this year.

GRAHAMSTOWN—TE AROHA.

The twelve miles section of this railway between Te Aroha and the Ohinemuri River is now finished. As regards the remaining mile into Paeroa, the bridge over the river is nearing completion, the formation of the station-yard at Paeroa is actively progressing, and tenders have been accepted for the supply of the timber, &c., required for the various station-buildings. It is expected that the line will be opened for traffic in time for the Christmas holidays. A sum