

For the current year it is proposed to provide additional funds as under :—

	£
Balance of 1903 loan ... ..	416,050
New loan of 1904 ... ..	750,000
The Consolidated Fund should be able to assist with ... ..	650,000

This will give a total available ways and means of £2,209,852. The estimated expenditure for public works for the current year (excluding separate accounts having their own ways and means) amounts to £1,403,100, thus leaving a balance of £806,752 to be carried forward to next year.

#### RAILWAYS UNDER CONSTRUCTION.

No new railway-works were started last year, but those already in hand were further proceeded with.

The following is a brief statement of what has been done on each of the lines since the 31st March, 1903, and of what is proposed for the current year :—

##### KAWAKAWA—GRAHAMTOWN.

The section at the northern end of this line, which was approaching completion when my last statement was delivered, has since been finished, and is now available for the carriage of goods. It is not proposed to open it for regular passenger traffic at present. At the southern end the bridge over the Whangarei River has just been completed, and the earthwork approaches are now being filled in. The formation-works between the bridge and Grahamtown are proceeding satisfactorily, and the construction of some small timber bridges is about to be commenced. Extensive soundings and borings at the wharf-site have been made, and the plans of the proposed structure are now being prepared. The survey of the connecting-link between the present terminus of the northern section and Hukerenui has been completed. The total expenditure on this railway last year amounted to £10,914, and for the current year a vote of £10,000 is proposed.

##### HELENSVILLE NORTHWARDS.

The work on this line has again been considerably retarded by slips. The formation is complete, the rails laid, and the line ballasted up to the Ahuroa Tunnel at 55 miles 30 chains. This tunnel has been pierced, and is now being lined, and will be finished by about Christmas. Beyond the tunnel the earth-works are in hand as far as Mahurangi, and will be ready to receive the rails as soon as they can be transported through the tunnel. Tenders for the Mahurangi Station buildings are also about to be invited. When the line is completed to this point it will be of considerable use to the northern settlements. I hope that it will be available for traffic by about the end of the current financial year. The authorisation of a further section of this line, twenty miles in length—viz., to the southern boundary of the Maungatapere Parish—is provided for in the Railways Authorisation Bill now before Parliament. The expenditure last year amounted to £11,788. For the current year a vote of £10,000 is asked for.

##### PAEROA—WAIHI.

The section to Karangahake has been open for goods traffic since the beginning of the year, and considerable freight has been carried over it. Progress with rail-laying is blocked immediately beyond Karangahake by the long tunnel which occurs directly after crossing the Ohinemuri River just outside the Karangahake Station yard. Work in this tunnel is being carried on day and night, and satisfactory progress is being made with it. The heading is now right through, and the tunnel will probably be completely finished, including lining throughout, before the end of the year. Contracts have been let to Messrs. J. and A. Anderson, of Christchurch, for the steel superstructure of the bridges over the second and third crossings of the Ohinemuri River, the concrete piers and abutments having been constructed by the Department's own workmen. The latter are finished, and the former work is making good progress, some of the steelwork having been delivered, and being now in course of erection.