

A large amount of work was accomplished during the year, but less, doubtless, than would have been the case had there been no question as to the route to be followed by the line. A large number of petitions were presented to Parliament last session praying for a westerly deviation of the railway, and the Public Petitions Committee recommended that exhaustive surveys of the rival routes should be made. In pursuance of this recommendation further surveys have been undertaken, and in February last I made a personal examination of the ground, in company with the Engineer-in-Chief of the Department, the members for the three adjoining electorates, as well as the member for Manukau and one of the members for Auckland City, and a number of other gentlemen locally interested. As a result of my inspection, and of careful inquiries into the matter made both locally and after my return to Wellington, I came to the conclusion that the demand for a more westerly route was well grounded. The question was subsequently carefully considered in Cabinet, when it was decided that a more westerly route, as far as McCarroll's Gap, should be adopted. A detailed survey of a considerable portion of this route has since been completed; the balance is in hand, and construction-work on the deviation has already been commenced. It will now be possible to employ a larger number of men, so that better progress will be made in the future than has been the case during the last two or three months.

The making of this deviation will render it necessary to obtain a re-authorisation of the line from near Maungaturoto to McCarroll's, and provision for this will be made in the Railways Authorisation Bill. As regards the extension of the line northwards from McCarroll's, it is proposed to appoint a Royal Commission to sit during the recess to take evidence as to the best route to be adopted, and the report of the Commission will be laid before Parliament next session.

The section between Wayby and Wellsford, which was approaching completion when last year's Statement was delivered, has since been finished, and was handed over to the Railway Department on the 1st April last. The line between Wellsford and Kaiwaka is well forward, the rails having already been laid and goods traffic undertaken as far as Te Hana, and the formation to Kaiwaka is in an advanced condition. Good progress has also been made with the extension of the survey northwards.

The expenditure on this railway last year amounted to £50,983, which was nearly double that of the previous year. For the current year a vote of £80,000 is proposed.

EAST COAST MAIN TRUNK.

The trial survey for a railway between Waihi and Tauranga, which was in hand last year, has since been completed. The survey was also carried on as far as Matata.

The Government is strongly impressed with the necessity for a trunk railway through the important Bay of Plenty district, and that will eventually connect Auckland with Gisborne and the whole of the East Coast settlements, and considers that the time has now arrived to make a commencement with the work. It is, therefore, proposed to include the section of the line between Tauranga and Te Puke in the Schedule to the Railways Authorisation Bill of the current year.

If the Bill is duly passed by Parliament, arrangements will be made to commence construction-works as soon as possible after the termination of the session.

At the Gisborne end of this line the bridge over the Waikohu River was completed, and the line extended from the temporary stopping-place on the south side of the river to the permanent station on the north side on 1st April last. A very large amount of formation-work has been done beyond Waikohu, which is the heaviest section of the line between Gisborne and Motu, and includes the Waihuka tunnel. The rails have also been laid for three or four miles, and ballasting is in hand. Plans for the steel viaduct at Otoko have been prepared, and tenders for its construction will shortly be invited.