

it will be seen that there are greater difficulties in the way of railway operations in that part of the colony than probably were anticipated.

Kawakawa Extension.—The work of surveying this line has been very difficult and tedious. It is now ready for inviting tenders, and only waits the fulfilment by the Bay of Islands Coal Company of certain conditions entered into on their part in order to be put in hand.

Wellington to Foxton.—This line is part of the main trunk line from Wellington to the Waikato, *via* the West Coast. The land through which it passes is now being purchased by the Government, and at least one million of acres contiguous to it will be shortly available for settlement purposes. Considerable pains have been bestowed upon ascertaining the most suitable route from Wellington to Waikanae, this being the most difficult and expensive portion of the line. It has been found that the best outlet from Wellington is by Kaiwarawara and Johnsonville, by which route a very fair grade can be secured. The working plans are now finished, and tenders can be called for the works almost immediately.

The total sum expended on railway construction works during the past year has been—

	£	s.	d.
In the North Island	343,861	7	1
In the Middle Island	462,812	3	4
	£806,673	10	5
Surveys not included in above, being charged to Votes 81 and 82	12,607	3	8
Total	£819,280	14	1

The total contract liabilities on railway construction works on 30th June last were—

	£	s.	d.
In the North Island	537,951	2	5
In the Middle Island	539,580	14	8
Rails not yet arrived or apportioned	100,000	0	0
	£1,177,531	17	1
Surveys not included in above, being charged to Votes 81 and 82	1,308	3	3
Total	£1,178,840	0	4

Since 30th June additional tenders have been let—

	£	s.	d.
In the North Island	12,202	6	10
In the Middle Island	24,977	18	10

It may be interesting to show the amount of expenditure and obligations incurred since 30th June, 1878, on railways works in the different divisions of the colony :—

					Expenditure, 1878-79.			Liabilities on 30th June, 1879.		
					£	s.	d.	£	s.	d.
NORTH ISLAND.										
Auckland	...	...	...	...	83,395	19	8	231,586	9	4
Hawke's Bay	...	...	...	...	48,167	11	0	28,626	15	8
Taranaki	...	...	...	...	35,679	15	10	34,776	3	7
Wellington	...	...	...	...	176,618	0	7	242,961	13	10
Total	...	...	...	...	£343,861	7	1	£537,951	2	5
MIDDLE ISLAND.										
Otago	...	...	...	...	223,607	13	9	320,494	8	0
Canterbury	...	...	...	...	177,314	14	2	172,966	13	7
Westland	...	...	...	...	553	1	2	4,935	19	9
Nelson	...	...	...	...	57,337	6	10	*32,229	10	8
Marlborough	...	...	...	...	3,999	7	5	8,954	2	8
Total	...	...	...	...	£462,812	3	4	£539,580	14	8

* To this sum of £32,229 10s. 8d. a further sum of £12,000 may be added in respect of a section of railway, Brunnerton to Stillwater, tenders for which are about to be dealt with.