KAMO-KAWAKAWA.

The section of this line between Hikurangi and Whakapara was completed and handed over to the Railway Department for regular traffic on the 2nd November, 1896. The extension from Whakapara is now in course of construction. The bridge over the Whakapara River is finished, and the formation is also completed as far as the Air-line Road, at which point large sawmills have been erected by Messrs. Foote Brothers, which are about to be connected with the railway. The line will then have commenced to tap the Puhipuhi Kauri Forest, from which a very considerable timber-traffic is expected. To fully command this forest a further extension is necessary, and the formation for some distance beyond Whakapara is now well advanced. The sleepers are being obtained locally, and rail-laying will probably be commenced early in the new year.

new year. The terminus for this railway when the extension was authorised by "The Railways Authorisation Act, 1894," was fixed near the Waiotu River, as it was expected that a great deal of the timber from the Puhipuhi Forest would be floated down this stream. A petition has recently been presented to the Government praying for the extension of the line to the Hukerenui Village Settlement, and a survey of this proposed extension has been ordered.

Several petitions have been presented to Parliament asking for the extension of the line from Kawakawa; but I regret that the money at our disposal will not permit of this work being put in hand at present.

A survey was made several years ago of a proposed extension of this railway at the Whangarei end to deep water, and petitions have been presented to the House praying that this work be put in hand. Vessels drawing more than 5 ft. cannot reach the present wharf at Opau, on the Whangarei River, at low water, and vessels drawing more than 13 ft. cannot come up to it at any time. By crossing the river, however, and extending the line for $2\frac{1}{2}$ miles down the shore of the Whangarei Harbour to Ohiwha Point (Grahamstown) a depth of 22 ft. of water can be reached. Vessels drawing up to 18 ft. could reach this point even at low water, and larger vessels still could come up when the tide permitted. The cost of this extension, including the wharf and shipping facilities, would be about $\pounds40,000$. Before asking for an appropriation for this extension, however, it is advisable to await the development of the timber and coal traffic on the line. At the same time, it must be borne in mind that the extension of this railway to Hikurangi and Hukerenui was undertaken on the assumption that the coal from the former place and the timber from the Puhipuhi Forest would be carried over the line, and it must be admitted that larger vessels than those that are now able to reach the wharf at Opau will be required to profitably convey this timber and coal to market.

The expenditure on this line last year amounted to $\pounds 6,525$, and this year we ask for a vote of $\pounds 8,000$.

KAIHU VALLEY RAILWAY.

The short extension of this line from Opanake Station to the booms on the Kaihu River was completed and handed over to the Railway Department for traffic on the 21st October, 1896, and an exceedingly heavy timber-traffic has since been carried over it. The expenditure on the line during the year was $\pounds 1,263$, and it will not be necessary to ask for any further vote this year.

HELENSVILLE NORTHWARDS RAILWAY.

The Makarau contract, which has been in hand for the last seven years, was duly completed on the 13th May last, and the section was handed over to the Railway Department for traffic on the 12th June. The principal cause of the great delay in completing the contract was the treacherous nature of the ground met with by the contractors in the Makarau Tunnel. The difficulties were at length overcome, however, and the contract duly finished; but the work has not proved a profitable one to the contractors. The Makarau contract having been completed so recently, the further section, which I stated last year would be put in hand, has not yet been commenced. It is, however, proposed