

tender was for the whole, and as I found this stated in the tender I returned the deposit. I could not recommend Courtney's tender for the whole section as he had no backers, and I strongly doubted his ability to get through the work without assistance.

5. Section No. 4.—From Waituhu (left hand branch) to Reefton about four miles, in four contracts, one mile each in length—

No. 1 contract, Chas. Bray, £720.
 " 2 " " " £780.
 " 3 " Barrowman, £720.
 " 4 " This is not yet signed for.

The lowest tender is B. Smyth, £660; if he fails to take up the contract and forfeits the deposit, Barrowman's will be next at £780. The first three contracts have just been signed, and the contractor will commence at once.

Reefton to Grey.

6. Section No. 1.—Reefton to plain near Mai Mai, seven miles. This was let to W. Courtney who utterly failed to carry out the work—he sub-let it in long pieces, and never went near the work. I therefore advised the Government to cancel the contract and carry on the work by day labor, paying the sub-contractors for all work actually completed at fair prices, of course paying nothing to the contractor. I was instructed to execute the work as I recommended, and have about 200 men at work at present, the section will be completed with as little delay as possible.

7. Section No. 2.—This is entirely through open ground and although the road will eventually require forming and metalling, for the present the drays can work without anything being done.

8. Section No. 3.—At present drays work up the river bed and along the old track, but this section will require making as soon as possible. About four miles of bush road, a portion of which is swampy, will have to be made. The survey of the line has just been completed, but I have not received the plan yet. The work will probably cost about £3000.

9. Section No. 4.—Improvement of existing road between Ahaura and Little Grey Junction.

This work was authorised by the hon. Mr. Reeves when on the ground. The work was let in three contracts. The first comprised the levelling of the steep gradients in the road adjoining the Ahaura. The second comprised the forming and metalling of the road from Lardi's to McNiel's; and the third similar work from McNiel's to the Little Grey. The tenders were sent in at schedule prices, and we estimated the cost of amount of work required at £1170.

Before the contracts were fairly commenced the Provincial Government had completed the improvement of the cutting leading into the Ahaura, and after this was done the boats no longer went up to Totara Flat, but made the Ahaura the terminus, causing all the up country traffic to pass over the road in progress of formation. This necessitated the metalling of all the new work, which makes a considerable difference in the total cost, which it will increase by at least £500.

10. All the contracts have been let at schedule prices, and the sums are very high, but this must be expected where so much work is going on at once. Had it been possible to have extended the expenditure over a period of twelve months, the work would have cost at least 30 per cent. less.

11. To complete the road for through traffic the following works are required:—

Grey Road Section, No. 3 Estimate	...	...	£3000	0	0
Sandstone Bluff, Inangahua	...	...	300	0	0
Punt	...	...	250	0	0
Punt Approaches	...	...	250	0	0
Side Cutting, near Christy's	...	...	500	0	0
			<hr/>		
			£4300	0	0

Of the before mentioned works I have called for tenders for the construction and fitting of the punt, but the only one received was £400, an absurd price, which I could not advise the Government to accept. All the boat builders in the Buller and the Grey are busy, so advise waiting a little and inviting fresh tenders.

I have met with more difficulty than I expected in getting approaches for the punt crossing. On the west side of the river the cutting will require to be very deep, to get a reasonable gradient.

The Sandstone Bluff should be put in hand at once, but I cannot recommend commencing the side cutting at Christy's during the winter months.

I should be glad to receive instructions concerning these works.

12. The cost of the works in progress may be stated approximately as follows:—

Contracts in progress	...	...	£13,632	15	0
Day laborers and piece work	...	...	5320	0	0
Paid to Surveyors, Overseer, Laborers, &c.	...	...	358	3	0
			<hr/>		
			19,310	18	0
Estimate of remaining works	...	...	4300	0	0
			<hr/>		
			£23,610	18	0

Together with this Report I beg to forward an Abstract of Contracts in hand and Schedule of Tenders received.

I have, &c.,
 A. D. DOBSON.