

Parae Karetu Block, containing 46,000 acres of land, as part of the security asked for the construction of this line as a railway instead of a tramway as was originally proposed, and have expressed their willingness to hand over to the General Government additional lands as the works proceed. The speed at which this line is to be constructed will depend upon the success or otherwise of the Feilding Contract.

This brings me to the South Island; the first line in which is the Nelson and Foxhill. The works on this railway are well in hand. The contract for the first length has not yet been advertised, owing to the Government being determined to hear all that there is to be said in favour of the more expensive line by the sea coast out of the City of Nelson. As at present advised, it is intended that the direct line shall be taken, for the reasons given by the Engineer-in-Chief in his report. This line ought to be finished in about eighteen months from the present time.

The Picton and Blenheim line is the next to which I shall refer. Messrs. Brogden and Sons are making good progress with this line, and there is no doubt that it will be finished within the contract time, and that the cost will be within the amount authorized. The severe floods of last month have done some injury, but the inspecting Engineer reports that it is of little consequence.

The next railway I have to notice is the Rangiora and North Kowai. On this line is a very heavy bridge over the Ashley River, which has been let by contract to Mr. E. G. Wright. Considerable progress has been made with the work, and it is proposed to call for tenders for the construction of the rest of the line, so that it may be completed in about eighteen months from the present time. The Provincial Government of Canterbury have resolved to avail themselves of the amendment of the Railways Act of last Session, and pay for the difference in cost of broad over that of narrow gauge.

The next line is that portion of the Great Southern Railway of Canterbury known as the Rakaia and Ashburton; this, together with the large bridge over the Ashburton River, has been let to Mr. Wright. The formation of this line is nearly finished; the rails for the whole length have been advised as shipped, and two-thirds are already in Canterbury. The completion of this line depends upon the supply of sleepers, which are now coming to hand.

The next length of the same railway is from Ashburton to Temuka. A considerable difficulty has arisen about the proper route for this line, and although the report of the Engineer-in-Chief was at first in favour of making use of the present bridge, recent experiments have led him so far to alter his opinion as to recommend the lower crossing and direct line of railway, although in justice to him it should be stated that he considers a good deal of careful conservancy of the river will be required. The greater portion of this line has been offered, under the terms of their old agreement, to Messrs. Brogden and Sons, but their offer has been declined. The whole is now being divided into smaller contracts, and tenders will be invited immediately; the plans and specifications are ready.

The Timaru and Temuka line is under contract as far as Young's Creek, to be completed on 3rd January, 1874; and as the rails for it are advised, its completion depends upon the delivery of sleepers now under contract.

The Waitaki Bridge is the next work now in hand proceeding Southwards. The erection of this bridge has been delayed by change of design in England, and by the non-arrival of the lower lengths of the cylinders in Colony at the time expected. There is no doubt that the bridge sent out is of a more substantial character than was intended to be built, but there is equally no doubt that had the plan of the Engineer-in-Chief been adhered to, a useful bridge would have been by this time erected over the river. As soon as sufficient information is obtained as to what is a fair price for sinking the cylinders, tenders will be called for the erection of the bridge.

The Waitaki and Moeraki Railway was first offered to Messrs. Brogden and Sons; but their tender was declined, and a portion has been let to Messrs. Allan and Stumbles, the contractors for the Timaru and Young's Creek contract. The works are proceeding satisfactorily. Messrs. Brogden and Sons subsequently sent in an amended tender for the balance of this line, and their offer was accepted. Satisfactory progress is being made.