

contract in about three months. The survey of the railway is not sufficiently far advanced for me to give an exact estimate of its cost, but, from the information obtained, I believe that the whole line from Dunedin to Albert Town on Lake Wanaka, a distance of 160 miles, could be constructed and equipped with rolling-stock for £1,100,000, or an average of £6,800 per mile. This is about the cost of the Canterbury Railways or a half less than that of the Otago ones.

Further acquaintance with it strengthens me in the opinion expressed last year that the line now under consideration is undoubtedly the best for opening up the interior of Otago; and, further, that its construction would be beneficial to the colony at large.

*Tapanui Branch Railway.*—A reserve of land having been made for the construction of this line last session, working surveys and drawings were prepared, and contracts are now advertised.

This branch leaves the main line at the Waipahi Station, follows down the Waipahi River to its junction with the Pomahaka, then runs up the Pomahaka Valley to Kelso, the total length being 15½ miles. A considerable agitation was got up in favour of getting the line brought right into the Township of Tapanui, which is passed at a distance of 90 chains. I recommended against this, on the ground that an extension through the middle of the best country would then be impossible; and the surveyed line was adhered to. I sent you a special report on the subject on the 14th May. (Copy enclosed.)

The location of the Tapanui Branch is particularly good: it goes right into the heart of one of the best agricultural districts in the Middle Island, and it is capable of extension to Waikaka, Switzer's, or Tuapeka. In fact, it should have been made long ago. The gradients and curves are considerably easier than on the main line, and the works are light. My estimate of the cost, when ready for working and fully equipped with rolling-stock, is £72,000. The contract now advertised includes formation, permanent-way, and stations.

*Duntroon and Hakateramea Railway.*—This line, which is being constructed by a company, is a continuation of the Awamoko Branch. It runs up the Waitaki and Hakateramea Valleys about 34 miles, through easy country, consequently the curves and gradients are favourable. This branch is well located as regards working in with a general system, and it opens up good country for settlement. The survey has been made by Government.

*Waimea Plains Railway.*—This line connects the main line at Gore with the Winton and Kingston Railway at Lumsden. Its length is about 40 miles, almost quite straight, and with very flat gradients. The Government is making the survey, but a company has been formed to construct the line. The Waimea Plains Railway goes through a rich agricultural country; it forms an important link in the general railway system of Southland, and shortens the distance between Dunedin and the Lakes by about 52 miles.

The only question with reference to the Waimea Plains Railway is whether it should not commence at Waikaka instead of Gore, then run through McNab's Flat to a crossing of the Mataura and a junction with the surveyed line near the Otomeita. This would accommodate the numerous settlers on the eastern bank of the Mataura, without leaving out much of the good country on the opposite side, and shorten the through line by about a mile. On the other hand, it would add a mile to the length of new line, it would necessitate the erection of a second bridge over the Mataura, and otherwise add to the cost of construction.

*Riverton to Orepuki Branch Railway.*—The formation of this line for about four miles was made by the Provincial Government of Otago. It is now proposed to finish the branch to Orepuki, 18 miles, as originally intended, and the estimates provide for the work. The survey, which is now nearly finished, shows the country to be favourable to railway construction.

*Green Island Branch.*—This line wants to be extended half a mile, to join the Brighton Road, its present terminus being in the middle of a field, through which there is no access. The extension has been set out, and the work is provided for in the estimates.

*Waiareka Branch to Livingston.*—A reconnaissance survey has been made of four different lines from the Waiareka Branch to Livingston, leaving respectively at Ngapara, Jessop's Gully, Windsor, and Teaneraki. The best line is the one leaving at Windsor. The ground over which it goes is rather rough and irregular, and the works, which include about 30 chains of tunnelling, are somewhat heavy; still there is no formidable obstacle in the way; the gradients and curves are favourable. The length of the line is 16 miles, and estimated cost for formation alone, £88,000. With stations, rolling-stock, engineering, land, and other charges, the total will amount to about £105,000.

The proposed branch passes through one of the finest wheat-growing districts in New Zealand, still I do not think it is urgently required at present. About ten miles out of the sixteen is in no place more than four miles from the present Waiareka line, and the remaining six can be equally well accommodated by a loop-line which is suggested coming up the Kakanui Valley from the main line, passing through the low ground at the head of the Awamoko, and down the Maruenua Valley, to a junction with the Awamoko Branch at Duntroon. I think this loop would accommodate the most country at the least expense of any of the lines hitherto proposed.

*Green Island to Taieri River.*—A reconnaissance survey has been made of this line. It leaves the Green Island Branch near Abbott's Creek, and follows the general line of the Kaikorai Stream and the coast to the Taieri River, its total length being 15½ miles. With the exception of about half a mile at the Otakia Creek, where there is some little cutting and five chains of tunnelling, the works are remarkably light throughout; probably the whole line could be made and equipped for about £3,000 a mile. There is comparatively little settlement to warrant the construction of a railway in the district traversed by the Green Island-Taieri line, but it would become popular as a summer resort for the people of Dunedin. The line does not, however, open up new country, and the traffic will scarcely pay; so I do not recommend the Government to consider it with a view to making.

*Catlin's River Branch.*—Several routes have been examined for this line, but the choice lies between two, one leaving the main line at Invertiel, on the southern bank of the Clutha, and the other at Stirling Station, near the northern bank. The Invertiel line runs in a tolerably straight course past the east end of Telford's Bush to the foot of the Omaru Valley, where it joins the Stirling line, coming direct across Inch Clutha. From this point onwards there is only one line: it follows