

The new station-yard at Reefton has been completed, and is now in regular use, and platelaying between Reefton and Cronadun is in hand, and will shortly be finished. The Cronadun Station buildings are in course of erection, and the line to this point will soon be available for traffic.

On the Otira Section, the Goat Creek and Rolleston bridges have been completed, some protective groins constructed, and a good deal of earthwork done. Operations were discontinued for a time pending the receipt of tenders for the Arthur's Pass tunnel, but now that a contract for that work has been entered into operations on the Otira Section will at once be resumed, so as to complete the line to the tunnel-mouth.

The tender of Messrs. John McLean and Sons for the Arthur's Pass tunnel, 5 miles 25 chains in length, was accepted in August last, and the work is to be completed by August, 1912. The amount of the accepted tender, which was the lowest of three received, is £599,794. The contract includes not only the tunnel, but the completion of the formation of the railway thence as far as the Arthur's Pass Station, 59½ miles from Greymouth.

The section between Staircase Gully and Broken River was duly completed in time for the New Zealand Exhibition season as promised in last year's Statement. The formation-work beyond Broken River, which for two or three miles is of a very heavy character, is well in hand. On this length there are six tunnels, and the "headings" are driven through all of them; two are in process of enlargement, and one is completed. The contract for a steel bridge over Sloven's Creek was let to Mr. G. M. Fraser in July last for the sum of £21,451. The date fixed for completion of the work is the 11th March, 1909.

The expenditure on the Midland Railway during the late financial year amounted to £129,649. This amount was especially large in consequence of the effort made to complete the line to Broken River. For the current year a vote of £60,000 will be needed.

WESTPORT—INANGAHUA.

The formation on the first section of this railway between Westport and Kahu, 5 miles 60 chains in length, is approaching completion. Some delay has occurred in obtaining delivery of timber required for the bridges on this section, but the bulk of it is now to hand and the balance is expected shortly. A contract for the erection of the bridges is now being prepared.

Last year's expenditure amounted to £8,575, and for the current year a vote of £10,000 is asked for.

NGAHERE—BLACKBALL.

When this railway was authorised in 1901 it was to have extended to the right bank of the Blackball Creek near the Blackball Township, the length being about two miles and a half, but it has now been decided to carry it on to the left bank of Ford's Creek, increasing the length by 70 chains. At this point the line will junction with the railway now in course of construction by the Paparoa Coal Company, so that it will serve both the Paparoa and Blackball Mines. It is not intended to introduce a Bill this session to authorise the construction of any new railways, but a Railways Authorisation Bill will be brought down to authorise this short extension and one or two other small extensions of existing works which have been found to be necessary.

The earthworks on the first two miles and a half are nearly finished, and the remainder about half done. The large bridge over the Grey River has been finished for some time, and the bridges over Blackball and Ford's Creek have recently been completed. The other bridges required are in hand. The rails have been laid on a portion of the line, and further rail-laying will be started shortly. The whole railway will be available for traffic well before the Paparoa Coal Company's line is completed.

The expenditure last year amounted to £11,596, and a vote of £15,000 is provided on the estimates this year.