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about to be put in hand. The chief cause of delay has been the slow progress of the bridgecontractor, who has the contract for the bridges on the length-six small bridges and the long one over Totara River. The small ones are nearly finished, but the large bridge is only about half completed. They should have all been finished in December, 1906, but, owing to some unsuitable timber having to be replaced, piles going deeper than expected, and so longer ones having to be imported, shortage of men, difficulty of obtaining suitable ironbark timber, &c., they are still in hand.

The station buildings at Ross are just completed.

The line will probably be finished about the end of the year, if the contractor has the bridges completed in time.

OTAGO CENTRAL.

This line was opened to Clyde, 143 miles from Dunedin, in March, 1907. Nothing of any importance has been done this year by the Department.

MILTON-LAWRENCE ROXBURGH.

Lawrence, 22 miles from Milton, is the end of the opened railway-line.

Evans Flat Section (22 m. to 26 m.; 4 miles in length).—The formation, including that of Evans Flat Station yard, and fencing, are complete. Four bridges, the contract for the erection of which has been just let, all the material being provided by the Department, have to be built. Platelaying can be started as soon as the first of the bridges is completed.

Big Hill Section (26 m. to 29 m. 20 ch.; 3 miles 20 chains in length).—The first 2 miles including Bowler's Creek Station yard, is formed, and the rest of the section nearly so. The contract for the erection of the two bridges needed has just been let with those on the previous section.

Platelaying will be continued on this section on its reaching the end of the previous section.

Beaumont Section (29 m. 20 ch. to 35 m. 15 ch.; Dunkeld, on Clutha River).—So far only the location of the tunnel at 29 m. 47 ch., about 470 yards long, has been fixed, and that quite recently. Beyond that only a trial line has been run. Work is now being started on the face cuttings of the tunnel, and the location survey beyond is being arranged for.

CATLIN'S RIVER - WAIMAHAKA. North End.

Catlin's River Station, 21 miles 60 chains from Balclutha, and 75 miles from Dunedin, opened on the 1st August, 1904, is still the end of the Railway Department's opened line.

Catlin's River-Hourpapa (21 m. 60 ch. to 24 m. 10 ch.).—The rails are laid and ballasted. Ballast is being crushed at the quarry at 22 m. 20 ch., where a crushing plant has been erected.

Houipapa-Table Hill Section (24 m. 10 ch. to 31 m. 26 ch.; 7 miles 16 chains in length). The earthwork will be completed to 25 m. 60 ch. sufficiently to enable platelaying to be commenced in about two months.

Bushfelling has been completed to 28 m. 69 ch., clearing and burning to 27 m. 58 ch., and some earthwork has been started, also culverts, beyond 25 m. 60 ch.

Shafts are being sunk to test the foundations for the viaduct at 30 m. 5 ch.

Owing to the almost impassable state of the roads very little carting can be done; and till the main road is corduroyed and put in a usable state, carting of culvert material, which has all to be brought up from behind, can only be done slowly. Culverts must be constructed before much earthwork can be done on ahead; they therefore control the rate of progress. It is intended to construct stations at 27 m. 30 ch. and 31 m. 40 ch.

Table Hill Summit.—Some deviations and alterations to the grades beyond 29 m. are being considered; these, and further line ahead as far as Tahakopu, will have to be located at once.

South End.

Waimahaka Station, 24 miles 50 chains from Appleby Junction, which is 2 miles from Invercargill, is the east end of the line, now opened by the Railway Department for traffic.

Waimahaka Tokonui Section (24 m. 50 ch. to 32 m. 37 ch.; 7 miles 67 chains in length).— Earthwork has been confined to the heavier portion between 26 m. and the summit at 29½ m., which is now rather better than half-formed. The lighter work nearer the station is being put in hand.

From the Summit to Tokonui the grades and alignment require some adjusting, which will be put in hand at once.

From Tokonui to Table Hill, at the north end, there are about 41 miles to construct, of which only a preliminary survey has so far been made.

GORE-WAIKAKA.

This line starts at McNab's Junction, 96 miles from Dunedin, and 43 miles from Invercargill, on the main line, and about 3 miles north from Gore Township.

It is 12 miles 65 chains in length, and traverses the Waikaka Valley to Waikaka Township,

along comparatively level country with a great many waterways in its course.

The formation was started in April, 1907, and is now practically completed, except the last 2 miles, some of the station-yards, and the usual widening and trimming. The bridges and culverts are in hand, and the rails are laid and three parts ballasted to the Waikaka River Bridge, at 10 m. 73 ch. Most of the fencing and gates—of which there are a large number—have been