

the districts immediately connected, do not alone warrant the construction of a through line of railway in any direction: its main object must, therefore, be to connect the two ends of the colony; and, that being the case, the shortest and quickest route is obviously the best.

*Extension of Ashburton Branch.*—Preliminary surveys have been made in several directions for the extension of this line. One is to cross the Ashburton River near the present terminus, and run to a point about two miles below the Mount Somers Township, and ultimately to Methven, the end of the Ashburton Forks Private Railway. Another is to continue on the south side of the river for two and a half miles, and then cross to a point half a mile below the township, Methven being also the ultimate destination. A third proposal is to continue the present branch ten miles on the south side of the Ashburton, and then cross to a place where there is a large deposit of coal. A line keeping on the north side of the river had also been surveyed to the same place several years ago: it would join, or be a continuation of, either of the two first described.

The country being all flat there is no difficulty in making any of the extensions above mentioned; but until the mineral resources of the district are further developed it would be difficult to say which is the most suitable. In the meantime, and for several years to come, the requirements of the traffic will be fully met by an extension of two and a half miles to the main-road-crossing.

GENERAL REMARKS.

*Prices.*—The commercial depression which prevailed throughout the colony in 1879 and 1880 had begun to pass away at the end of the last financial year; and business, particularly in the building trades, is now as brisk as it has been at any time for four or five years. As a consequence the prices of labour and materials of all kinds have gone up at least 15 per cent.; labour generally is scarce, and in the southern districts some classes of artisans cannot be obtained in sufficient numbers at any price. The scarcity of labour is caused, to a great extent, by the large number who left for Australia during the bad times. It has been estimated that between two and three thousand workmen went to New South Wales alone. When we consider that there were at one time, in 1879–80, no less than 1,800 men on the relief works in the Middle Island, who were only earning a bare livelihood, it is quite possible that this estimate is tolerably correct. These remarks show that if many large works are now undertaken and pushed rapidly on they will cost more than the prices current during the past few years. That is, assuming that the tide of labour does not flow back from the neighbouring colonies, or that no special effort is made to get men from Home.

*Number of Men on Works.*—The following table gives the average number of men directly employed on public works in the various districts of the Middle Island during the past year, contractors' men being shown separate from those employed direct by Government.

DISTRICT.	Employed by Contractors.	Government Labour, including Surveys.	Total Number Employed.
Nelson and Marlborough ...	80	10	90
Westland ...	56	111	167
Canterbury ...	230	26	256
Otago ...	115	120	235
Southland ...	80	6	86
Totals ...	561	273	834

In addition to the above, there were eighty-nine men employed on public buildings, and the numbers do not include contractors' men employed off the works, in shops or otherwise, nor men employed by the Working Railway Department on construction-works.

*Map.*—A map of the Middle Island, showing the authorized railways made, in progress, and not commenced, is appended hereto (Enclosure No. 5).

*Enclosures.*—The following enclosures accompany this report:—

- No. 1. Lengths of Railways authorized, constructed, and surveyed, &c., Middle Island.
- „ 2. Statement of Works executed on Roads in Westland.
- „ 3. Annual Report on Water-races.
- „ 4. Statement of Works executed on Public Buildings.
- „ 5. Map of Middle Island.

I have, &c.,  
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