REPORT.

Your Committee have taken into consideration the proposals submitted to the Colonial Government during the recess, for an extension of the Bluff and Winton Railway, and for the construction of a Railway between Invercargill and Mataura, and have taken all available evidence upon these questions, both verbal and documentary.

Your Committee first applied themselves to the consideration of the expediency of extending the line from Invercargill to Winton, and have arrived at the conclusion that the extension would be highly advantageous to the Province of

Southland, were it compatible with existing circumstances.

They have carefully considered, in reference to both the proposed lines, the relative advantages likely to accrue from the construction in each case of a Railway of a similar gauge to the Bluff and Invercargill Railway, of an iron

horse tramway, and of ordinary roads, both metalled and gravelled.

The professional and other evidence taken, leads to the following conclusions: -That the cost of the Railway extension to Winton, on a gauge similar to the Bluff and Invercargill Railway, but of a lighter character, would not be less than That the cost of an iron horse tramway would be about £2,200 per That the cost of a metalled road, adapted for heavy traffic, would be about £4,000 per mile. That the cost of a gravelled road, suitable for moderate traffic, would not exceed £2,400 per mile, assuming the cost of labour to be nine shillings

Your Committee find that the probable cost of maintenance of the proposed extension of the Railway to Winton, would not be less than £2,850 per annum, and that the probable working expenses would be not less than £5,700 per

Your Committee find that the probable cost of maintenance and working expenses of an iron horse tramway over the proposed line, would not be less than those of a light locomotive Railway.

Your Committee have been unable satisfactorily to ascertain the probable cost of maintaining a properly constructed metalled or gravelled road, if constructed from Invercargill to Winton, or from Invercargill to Mataura.

As regards the proposed line to Mataura, it appears that the cost of construction of a light locomotive Railway, with a gauge of 4 feet $8\frac{1}{2}$ inches, would be about £165,000, taking the distance at thirty miles, exclusive of the purchase of land; and that an iron horse tramway would cost about £2,200 per mile. That the cost of a metalled road suitable for heavy traffic would be about £4,000 per mile; and that of a gravelled road, suitable for moderate traffic, about £2,400 per mile.

The present financial condition of Southland, as evidenced by returns of expenditure, estimates, &c., has also been carefully considered, with the following

results.

When considered with reference to the present financial proposals of the Colonial Government, the financial affairs of Southland appear to stand as follows:--

Amount payable on Provincial Debt	£ 27,000 8,00035,000
Receivable by the Colony, being one-half probable Consolidated Revenue Pasturage Rents	20,000 8,000 28,000
Probable annual deficit, to be defrayed out of Land Fund, before Southland can receive anything from that source	7,000