

It appears also that the expenses of Provincial administration cannot be less than about £12,000 per annum, and that the Provincial Revenue raised by the Provincial Council does not exceed about £9,000 per annum.

The present population of Southland is taken at about 8,000, and your Committee have nothing to guide them in forming an estimate as to any possible increase consequent on the proposed undertakings being carried out. It appears that should any deficit arise in the working of either of the lines, if constructed, the same would have to be met by local taxation, at the same time the traffic receipts and expenditure on the Bluff and Invercargill Railway seem to have been slightly in favour of the former for the first six months of working, ending June last, but there is no evidence in the shape of Returns of present traffic to enable an estimate to be formed of the probable traffic on the proposed lines.

Your Committee find that the unsold Waste Lands in Southland exclusive of Stewart's Island are as follows—

	Acreage.	Estimated Value.
Agricultural Lands	669,779	£669,779
Pastoral Lands	957,120	358,920
Reserves for Villages, &c.	49,307	73,960
Barren Lands, Bush, &c.	277,393	34,674
Acres, total	1,953,599	£1,137,333

And think that the proposed works might be calculated to improve the prospect of realizing the unsold lands to some extent.

Your Committee are of opinion that it is inexpedient that any payments for completing the Oreti Railway, as suggested in the proposals, should be made in land, and also that should the proposed Railways be carried out on the principle of the works being paid for in land a diminution will be caused in the revenue of Southland arising from pasturage rents to the amount of about £1,375, since it appears that not less than three-fourths of the land granted in payment will probably be selected from the pastoral runs at present leased at two pence per acre per annum.

Your Committee are of opinion that grain and other crops would be grown to a much greater extent if a cheap mode of transit were provided, assuming that a market can always be found for the same, and that so soon as the finances of the Province will safely admit of it the completion of the Oreti Railway and the construction of a light locomotive Railway or horse tramway from Invercargill to Mataura are desirable. They also recommend before any new works of this nature shall be undertaken in Southland that the Oreti line shall be completed.

Upon the whole question submitted to them, your Committee are of opinion that—considering the present financial condition of Southland, its heavy liabilities and limited available assets, and the possibility, if not probability, of the large annual outlay contingent on the indispensable maintenance and working of the proposed Railways, if constructed, involving the risk of a deficiency being created requiring the imposition of additional local taxation upon the inhabitants of Southland—it is inexpedient that the proposals, or either of them, submitted to the Colonial Government during the recess, for the extension of the Oreti Railway and the construction of a Railway from Invercargill to the Mataura should be at present carried into effect.

E. C. J. STEVENS,
Chairman.

Committee Room,
19th September, 1867.