

admitted that no unnecessary delay has occurred, and that any hurried action would have certainly resulted in most wasteful expenditure, and possibly in the works being proceeded with on a wrong basis. During the last Session, Parliament authorized the construction of $601\frac{1}{4}$ miles of railway, at a total cost of £2,207,410. Immediately after the Session the Government devoted itself to giving effect to this decision, but as the surveys then made of the whole of the lines, with the exception of a few miles in the Middle Island, were only preliminary surveys, it became necessary before contracts could be entered into or estimates formed that working surveys should be made. Immediate steps were taken to have these surveys commenced; but it was found that the number of Engineers in the Colony accustomed to modern railway construction was exceedingly limited. Every endeavour was, however, made to push on the work, and the result has been that the survey of $180\frac{1}{2}$ miles of railways has been completed, and contracts entered into for their construction, at a total cost of £602,956, whilst $132\frac{1}{2}$ miles additional are now ready for construction, making a total mileage of 330 miles prepared for contract. To those honorable Members acquainted with the subject, no excuse for dilatoriness will be requisite; on the contrary, I believe it will be admitted that the work executed, considering the time allowed, has been very considerable; and I can bear testimony to the unremitting attention devoted to the work by the Engineer-in-Chief and the District Engineers, on whom has devolved the principal labour connected with railways. I should explain that £602,956, the amount I have stated as contracts for Railways entered into, does not cover their whole cost, for, as regards all the contracts let to Messrs. Brogden, the actual cost of rails, rolling stock and buildings, has to be added.

The House will remember that the Government was authorized last Session to enter into a contract with Messrs. Brogden in extension of Contract No. 2; this was effected under an agreement dated the 18th of December, 1871, a copy of which lies upon the Table. Under this agreement, Messrs. Brogden have contracted for railways to the extent of £550,378, and further contracted for purchasing railway material in England to the extent of £250,000.

The plant and rolling stock contracted to be purchased by Messrs Brogden is to be such as the Agent-General shall furnish particulars of from time to time, and will be submitted in their name to the tender of such firms or companies as the Agent-General and Messrs. Brogden may mutually decide. The tenders are to be opened in the presence of the Agent-General, who will determine as to their acceptance or otherwise. All discounts and allowances are to be received by the Government; and as the purchase of railway material was an item on which the Contractors would under Contract 2 have made a profit of 5 per cent., a commission to that amount has been allowed them for their advice and assistance, now that it is to be purchased by the Government direct.

The following are the railways that have been contracted for by Messrs. Brogden :—

—	Miles.	Contract Price.	Estimated Cost to Complete.	Total Cost.
		£	£	£
Auckland and Mercer	44	166,724	96,276	263,000
Napier and Paki Paki	18	50,807	23,423	74,230
Wellington to Hutt	8	28,616	11,296	39,912
Picton to Blenheim	17	75,534	19,982	95,516
Dunedin to Clutha	51	142,000	90,940	276,500*
Invercargill to Mataura	40	86,697	50,303	137,000
	178	£550,378	£292,220	£886,158

The cost of several of these railways will be in excess of the Parliamentary limit, chiefly arising from the largely increased price of iron; but if this limit had not been exceeded, operations would have been entirely stopped. The Government determined to incur the responsibility, and will ask the House to approve the course adopted.

* Sixteen miles of Dunedin and Clutha, let to other contractors for £43,560, and cost is included in estimate to complete.