

Before leaving the subject of the Brogden Contracts, I will refer to a statement widely circulated, to the effect that the rates at which these contracts have been let are excessive. I desire to state, that the most careful consideration has been given by the Government to this subject. That the settlement of these Contracts has only been effected after long minute inquiry, and in conformity with the advice of the Engineer-in-Chief, given after careful investigation. The Government has had thrown upon it great responsibility in having to let contracts for such large works without the test of public competition. When the engagements to Messrs. Brogden are completed, the Government propose to submit all Contracts to public tender. I believe, however, that the prices at which Messrs. Brogden have contracted to construct these railways are fair and reasonable. When the difficult nature of the country through which these railways have to be carried, together with the largely increased price of iron, is considered, it will be allowed, that the cost at which these railways are to be constructed and equipped, viz., an average of £4,865 per mile, will compare most favourably with the cost of similar works in any other country in the world.

I will now refer briefly to the different railways in detail :—

AUCKLAND AND MERCER.

The Engineer-in-Chief visited Auckland in February last, to determine the line to be adopted for the first few miles out of Auckland, and generally to examine the whole line to Mercer. He recommended the adoption of a line between Auckland and Newmarket, which required the construction of a tunnel ; and as this work would necessarily occupy considerable time, and unless proceeded with at once, would have delayed the opening of the line to Onehunga, I arranged with Messrs. Brogden to proceed with the construction of the section between Newmarket and Auckland under clauses 5, 6, and 7 of the articles of agreement dated December, 1871, commonly known as "the 10 per cent. arrangement." Although the line to Mercer had been carefully surveyed, the Engineer-in-Chief found on examining it that the general style of the work was very expensive, and directed such considerable alterations with a view to reducing the cost, that all the plans and sections had to be made over again, new designs prepared and quantities taken out. This work and the preparation of data occupied until the 5th April, when data were supplied Messrs. Brogden to tender upon. Their tender has since been accepted, and the contract concluded.

KAIPARA RAILWAY.

This line was taken over from the Provincial Government of Auckland in February, the work being then considerably advanced. Nothing has occurred in connection with this line except the delay in getting the rails, due to the impossibility of procuring the description of rail specified in the contract taken over by the General Government. An amended order has been sent to England. A survey of the line from Riverhead to Auckland has been made.

NAPIER TO RUATANIWHA.

A section of this line, 18 miles, has been surveyed, and the necessary data to tender were handed to Messrs. Brogden on the 18th of April. A contract has since been concluded for the construction.

WELLINGTON TO MASTERTON.

A section of this line, 8 miles, has been surveyed and contracted for, and a further section of $7\frac{1}{2}$ miles has been tendered for by Messrs. Brogden, and is now under consideration. As in the case of other lines, a working survey has had to be made of the whole, and the engineers are now at work surveying the remainder of the line. As part of the country through which this line passes is difficult, a great deal of trial work requires to be done before the best line can be determined on, and there can be no question that a careful and detailed survey of the country is necessary before the best line over the Rimutaka can be ascertained.