

way; but before any further work is undertaken I think the House should have an opportunity of expressing its opinion on the new aspect which the matter has assumed, and, in any case, I do not propose to put any new contracts in hand until after next session.

With regard to the alternative route proposed for this railway, I find that the original estimate for the line from Stratford to Te Awamutu was £1,036,000; and at first sight, therefore, this project might appear to have a great advantage as compared with completing the railway from Marton to Te Awamutu: but, excepting that the estimated rate per mile was much higher than that for the Central line, we have no guarantee that this estimate is any more accurate than that for the Central route, and it would therefore be premature to express any opinion on the subject until a trustworthy estimate of this line is completed for comparison with the revised estimate now made of the Central line. It would, therefore, I think, be desirable that a survey should be made of the Taranaki route of a more accurate character than those which have hitherto been made, in order that something like a correct estimate may be formed of the probable cost of a railway in that direction. The cost of this survey would not be lost, even if the railway is not made, as the information gained could be utilized in locating a road, which must be made in the future, in the event of no railway being made.

The best point to diverge from the Main Trunk Railway in order to reach Taranaki would be at a point near Maramata, about 55 miles from Te Awamutu, and the cost of construction of railway, complete and equipped for traffic, from Te Awamutu to this point, including due proportion of cost of raising loan and departmental and other expenditure of every kind, is estimated at £500,000. This is inclusive of about £250,000 for expenditure and liabilities already incurred.

The only doubt, therefore, as regards the probable cost of a railway from Te Awamutu to Taranaki is as to the cost of the link between Maramata and Stratford, or wherever might be the best place to join the existing Taranaki railway. The present estimate of this connection is £800,000; but, as there is no trustworthy data on which such an estimate can be based, it cannot be relied upon as being even approximately accurate.

In connection with this phase of the subject, it should also be stated that the expenditure and liabilities (with a reasonable margin for contingencies) on account of works already undertaken between Maramata and Marton—including surveys £16,000, roads £40,000, Native land purchase £100,000, and a due proportion of departmental expenditure and costs and charges of raising loans—will amount to within a trifle of £300,000, and if any further contracts are let at the south end of the line this amount will of course be increased.

Having thus dealt with the subject generally, I will now proceed to state the present condition of the line and the rate of expenditure per annum which could reasonably be undertaken upon it, if decided to be carried on, and also the points to which that expenditure would probably carry the railway at each end by the end of the financial year 1890-91.

North End.—At the north end, the railway is completed and ready for traffic from Te Awamutu to Te Kuiti, a distance of $25\frac{1}{2}$ miles, and from Te Kuiti to the Upper Mokau Valley, length 9 miles, a contract for formation and platelaying is in progress, and expected to be completed in December, 1888. From the Upper Mokau Valley to the Poro-o-tarao Range, 11 miles, the contract survey is completed, but works have not yet been put in hand. Through the Poro-o-tarao Saddle a contract of $1\frac{1}{2}$ miles is in progress, including a tunnel of 53 chains. Total length from Te Awamutu to end of Tunnel Contract, 47 miles. South of the tunnel a contract survey has been made for about 8 miles, to the Maramata Junction. During the four years ending the 31st March, 1891, which is the extent of the programme which I have sketched out so far, it is proposed that the line shall be carried on steadily from Te Kuiti to near Maramata, in the Ongarue Valley, about 55 miles from Te Awamutu, this being the point at which a line could diverge to Taranaki. And the rate of expenditure indicated is £70,000 for this year, and £75,000, £75,000, and £80,000 for the three following years: total to end of March, 1891, £300,000.

South End.—At the south end of the railway the section from Marton to Hunterville, 19 miles, is nearly completed, and will be ready for opening about