

auriferous character of a large portion of the district through which I explored, as well as of the existence of extensive coal deposits, so essential to the welfare of a mining community.

The establishment of this route would materially increase the security of the Waikato Settlements, by giving command of the country in their rear. This country, extending as far as the eye can reach, and capable of supporting a nation, could be traversed by cavalry, and supplies could reach the foot of the plain from this place in five hours by steamer, or by rail in one. The steam service from Shortland reaches to within two hours' run of this point daily. The population of this district (nearly equal in numbers to that of two neighbouring Provinces) will not receive any benefit from the lines in progress in this Province, whilst, from the superior advantages offered by this route, its adoption would confer an inestimable benefit on this large community, and be without doubt the cheapest route between Auckland and the Waikato Settlements. This would be the case with the Waikato Settlements in their present extent; and any extension of settlement on the fertile lands between the Waikato and Thames Rivers would increase the advantage in its favour.

Almost immediately after leaving the Thames Crossing, the line reaches a fertile district extending to Te Awa, Waikato, nearly the whole of which is in the hands of the Government or Europeans, and awaiting settlement. This district, before the late war, was noted for its production of wheat, and would, if cultivated, produce sufficient for the whole province.

The cost of passage by steamers between Auckland and Ohinemuri is 13s. first-class and 10s. second-class, and for this price they could be conveyed to the Thames Crossing,—and allowing 4d. per mile on the rail to Hamilton, would make the total 23s. first-class and 20s. second-class. This service could be wrought to the greatest advantage, as it would embrace the whole of the passenger traffic between this place and Auckland and likewise between this place and Waikato, as well as a large portion of the passenger traffic to Tauranga and the East Coast, which route is growing into favour even in its present imperfect state.

It will be seen from the foregoing statement of facts that the adoption of this route to the Waikato would directly benefit nearly all the population of the province south of Auckland, and this result would be obtained by a small expenditure, both in construction and maintenance, compared with any other route: the thirty miles of railway required not passing through high priced land, being nearly straight and without inclines.

Looking at the proposed route in all its bearings, I should advise the extension of the Grahams-town and Tararu to Kopu three miles, from thence making use of the river (decidedly the best in the Province) to the Thames Crossing, and a railway of thirty miles to the Waikato.

The advantage of extending the Grahamstown line to Kopu would be that fast steamers suitable for river traffic could be employed. They would not be subject to the delay so often experienced by the present steamers of having a circuitous route to travel at low water, and to wait for tide to cross the mud flats into Shortland.

As a large amount of the traffic between the Gold Fields and Waikato would consist of live stock, they could be landed at Kopu where there is suitable accommodation for their keep, and when slaughtered, the carcasses brought in by rail. At present the cattle consumed here are ship-borne; each cargo is confined in sheds close to the town, and hand-fed until killed, which must be attended with loss.

For the reason mentioned in my preliminary report I adopted Hamilton as a terminus, but an additional distance of about three miles, over a favourable country, would reach Cambridge.

I have, &c.,

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