vii E.—3.

It has, however, advanced so far that it must be continued until the work is completed; but when it is so we think it would be advisable to close the portion of the line from the junction to Riverhead Wharf except for the haulage of baulk timber, or we are convinced that the line will be unable to compete successfully with the water-carriage.

HELENSVILLE TO KAUKAPAKAPA AND WHANGAREI.

The estimated cost of this line is about £800,000. The character of the country is unfavourable to railway construction from an engineering point of view, the ruling grades being 1 in 50 throughout; and still more so as regards the prospect of settlement upon the land. The line would, moreover, have to be worked in competition with good water-carriage on both sides of the route. We do not, therefore, recommend any expenditure upon it.

AUCKLAND STATION RECLAMATION.

We do not consider that this work was necessary for station purposes. It is, however, so far advanced that we can only recommend that it be finished to the extent of the original proposal in the least expensive manner practicable.

PUKEKOHE TO WAIUKU.

Ordinary road-making is difficult and expensive in this part of the country owing to the absence of metal, while the railway works would not be of a costly nature. There is a considerable existing population, and the line would serve a fair extent of country both north and south. We recommend it for construction when further funds are available.

HAMILTON TO TE AROHA.

The district through which this line would pass is of but recent occupation by Europeans, and the existing population is small. We think, therefore, that the work as a whole would be premature, and we can only support the present construction of the three or four miles towards Morrinsville, which would form part of the line to Cambridge. The remainder, we think, may well stand over for some time to come; but if, during the next two or three years, the anticipations of a large increase in settlement now entertained by those interested in the district should be realized, we recommend that the work should then be proceeded with as soon as further funds are available.

HAMILTON TO CAMBRIDGE.

The country between these townships has been long settled, and there is a considerable resident population. There is also a large extent of back country to support a railway, which we recommend for construction.

GRAHAMSTOWN TO TE AROHA.

We are of opinion that the good water communication which exists between these two points makes railway communication unnecessary in the present state of the district as regards settlement.

It is a matter for regret that the reclamation at Grahamstown and Shortland should have been entered upon before the construction of the railway itself; and we consider that expensive reclamation for two station-sites close together was quite unjustifiable.

TE AWAMUTU TO NEW PLYMOUTH.

As the country through which it has been projected to carry this line is all in the hands of the Natives, and as little or nothing is known of its character from an engineering point of view, we are not prepared to advise that it should be proceeded with.

TAURANGA TO THE LAKES.

The proposal to construct this line at present we look upon as quite out of the question.

The country is for the most part in the hands of the Natives, and the existing traffic is almost entirely confined to that supplied by tourists.