

rugged character of a portion of the route, compel us to recommend that this line should not be constructed at present. As regards the prospect of timber traffic, water-carriage would, in our opinion, compete successfully with the proposed railway. The section to Owaka would be the least expensive portion to construct, but would, we fear, be too short a line to give fair prospect of paying its working expenses.

WAKATIPU TO LAKE MCKERROW.

This is a proposal to run a line of railway from the mouth of the Greenstone River on Lake Wakatipu to the head of Lake McKerrow, a distance of about forty-five miles, whence there is water communication with Martin's Bay. The height of the saddle to be crossed is about 2,500 feet. We do not think it would be prudent to incur the expenditure required for this work unless a very large development of mining industry on this part of the West Coast should afford a prospect of remunerative return.

GREEN ISLAND TO KAITANGATA.

This is a proposal for a coast-line at a distance of only a few miles from the main south line, and running parallel with it. We are unable to recommend its construction.

OUTRAM TO CLARENDON.

This is a scheme to convert the Mosgiel and Outram branch into a loop-line from Mosgiel to Clarendon. No portion of the proposed connection would be distant more than six or seven miles from the main line, and we cannot recommend the expenditure required.

KINGSTON TO CROMWELL.

This line would have to be taken along the rocky and precipitous shores of Lake Wakatipu, and it would have to compete with cheap water-carriage between Kingston and Queenstown. We do not think the work would be remunerative or that there is any rational ground for its construction.

EDENDALE TO TOITOIS.

The section from Edendale to Wyndham is nearly completed. We recommend an extension of about eight and a half miles along the left bank of the Mataura, to a point from which the whole of the Toitois District is accessible; an addition which we believe would be productive of better financial results than could be expected from working the short line now in progress by itself.

INVERCARGILL AND SEAWARD BUSH.

The Seaward Bush is tapped by tramways from the main line, so that reasonable means of transport for the timber are already provided; and, as the terminus of the proposed line would be within about five miles of the main line, with which the whole section would run nearly parallel, we do not recommend that it be constructed.

RIVERTON TO OREPUKI.

About six miles of this branch are already nearly finished, which will be of little use unless extended. The timber through which the additional mileage would pass, the coal and oil-shale deposits at Orepuki, combined with a considerable area of good agricultural land and the gold-mining industry of the district, afford prospect of a satisfactory return for the outlay upon the extension to Orepuki, which we recommend should be made. The line would, moreover, tend to promote settlement in the Waiau Valley, which, as well as Orepuki, is at present completely isolated.

OTAUTAU TO NIGHTCAPS.

About four miles of this line are nearly completed, and we do not recommend any further extension until the extent and value of the coal field at Nightcaps