

carried by coastal steamers to Wellington; but most of the live-stock is carried by rail. The passenger and merchandise traffic on the railway is good, and it is a paying concern. It might have been argued that with ports only about thirty miles apart a railway was unnecessary.

The Waikato country to the south of Auckland—say, from Mercer to Te Awamutu on the main line, and to Cambridge, Te Aroha, and Putaruru on the branches—offers a further illustration for comparison. For years this country has been in a backward condition; but now, under different methods of farming, and with different products (particularly butter) it is a prosperous district, and is sure to still further improve. The soil is of a light sandy nature, with but little humus, and requires much manure to make it productive. The approximate area suitable for cultivation and grazing is somewhat over 1,000,000 acres. The railway through the district is now earning a full share of the interest on the cost of construction.

The North of Auckland Trunk Railway similarly passes through a fairly good country—some very rich land—and generally all fit for pastoral pursuits, fruit-growing, and agriculture. On the whole, we are of opinion that the land compares very favourably with either the Taranaki or Waikato lands, while the climate is superior, and, under cultivation, will give equally good, or better, results.

Ultimately the main products will be butter, wool, beef, mutton, fruit, and agricultural products, as in the other districts with which it is being compared. The timber industry in this, as in those, will soon be of secondary importance; but there still remain considerable areas of suitable timber to send to market on the North Auckland Railway.

The approximate area of land from which traffic may be looked for to support this railway-line must be considerably over 1,000,000 acres; and we have no hesitation in saying that in a few years after the completion of the line the revenue will more than pay interest on the cost, estimated at, say, £700,000.

Further, comparing the traffic between Dunedin and Oamaru, and on the North Island Main Trunk line from Wellington to Auckland, it will be seen that, in spite of competition by sea, the railway takes most of the through-passenger traffic and some of the goods.

It seems to us quite probable that the navigable waters of the Wairoa will bring traffic to the railway, and we understand that even now advantage is being taken of railway facilities by persons living on the banks of this river or its tributaries.

We think the competition by river or sea will not materially affect the railway.

Our investigations further enabled us to locate approximately probable connections between the Main Trunk Railway and the isolated railway systems on the east and west coasts. These railway systems—the Whangarei-Kawakawa on the east and the Dargaville-Kaihu on the west—we visited, and we further saw portions of the route of the authorized extensions to Kaikohe from Kawakawa and northwards from Kaihu.

Taking seriatim the several matters we were appointed to inquire into, we respectfully report our opinion as follows:—

(1.) We are of opinion that the North of Auckland Railway should be expeditiously constructed to a junction with the section of the Kawakawa-Hokianga Railway, already in course of construction between Kawakawa and Kaikohe, before any branch lines are undertaken, as we consider the Main Trunk line of primary importance.

We have investigated three routes that the said railway could take between McCarroll's Gap and Mangakahia Valley—that is to say, a proposed route to the west of Waikiekie and the Tangihua Range; a proposed route to the east of Waikiekie and the Tangihua Range; and a suggested middle route lying between the aforesaid western and eastern routes through Waikiekie and to the west of the Tangihua Range, joining the first-named western route about nineteen miles from McCarroll's Gap.

We have carefully considered the economic and commercial value and other merits of the said western and eastern routes of the said line, and we are of opinion that the western route is the better in the interests of the Dominion, for the principal