

24. In regard to passenger traffic a large increase may reasonably be expected. The natural beauty of the lake scenery in the interior is already attracting numerous strangers, the number of whom would be indefinitely increased by the convenience of railway travelling. Professor Hutton, in his *Geology of Otago*, writes: "These lakes present scenery unsurpassed. Wanaka is perhaps the most beautiful lake in the world."

25. In reporting upon the resources of the district in the pastoral and agricultural production and in gold-mining, we have to repeat that they are at present very considerable, and may be safely estimated at half a million sterling. We have already shown that there are 500,000 acres of agricultural land well adapted for settlement, and there are at least two millions of acres of pastoral country, which, by the intended subdivision of the runs which fall in by the expiry of the leases within the next three years, would maintain a much greater number of families than they do at present. Looking at the stimulus the construction of this railway would give in every direction, and the consequent development of agricultural, pastoral, and mining industry, timber traffic, and other latent resources, it may be held that the annual value of the increased production would not be less than a million sterling. No doubt is left on our minds that the construction of the railway would be attended by a very material addition to the general wealth, and would be a marked public benefit. It should not be overlooked that a great public advantage would accrue from the line forming the easiest and most economical means of direct communication between the East and West Coasts. The saddle beyond Lake Wanaka is only 600 feet above the terminus there, and the rise all the way is so slight as to be almost imperceptible. The terminus at the lake is 1,130 feet above Dunedin. When the varied and abundant resources of the interior are considered, we are forced to the conclusion that the capabilities of the interior for settlement by an industrious population are very great, and probably unequalled by any area of similar extent in the colony.

26. To sum up briefly the result of our careful consideration of the whole matter submitted to us we have to report:—

(1.) That the construction of the Otago Central Railway would be the means of opening for sale and settlement an area of not less than 2,500,000 acres of Crown lands, about 500,000 acres of which are suitable for cultivation, and 2,000,000 of acres may at present be classed as pastoral and semi-agricultural lands. The selling value of this large estate would be increased to the extent of at least half a million sterling, and its letting value enhanced to a corresponding degree, while the value of adjacent Crown lands would also be largely augmented.

(2.) That the construction of the line would lead to the whole of the agricultural lands being immediately purchased and occupied, to a large addition to the local population, production, and traffic, and to the profitable occupation of the pastoral and semi-agricultural lands in blocks from 2,000 to 10,000 acres by families residing on the land. By these settlers cultivating sufficient to grow winter feed for the stock, the industrial population employed on this class of land would be largely increased, and the carrying capacity and production of the land at least doubled. The settlers already located in the interior, and those who have taken up lands there recently, would also be enabled to farm their lands profitably.

(3.) That if railway communication with the interior were established, the delay and cost in conveyance of goods and passengers would be largely obviated, the expense of living would be reduced, and new enterprises created and stimulated. It would lead to an increased development of gold-mining, as well as mining for other valuable minerals, affording employment for a larger population, adding to the wealth and general prosperity of the community, and lightening the taxation to the rest of the people of the colony.

(4.) That a sum of about £115,000 has already been expended on the construction of the railway, which sum will be entirely unproductive until the line is extended to Strath Taieri. It is important in connection with this to note that nearly the whole of the lands to be opened by the railway are still Crown lands, the enhanced value of which will go to recoup the cost of the proposed work. We have no hesitation in affirming that if the first section of the line to Taieri Lake were completed the revenue which would be immediately available from the sales of land would be sufficient to construct the next section, and thus the line might be gradually completed by the proceeds derived from sales of Crown lands in the district, without any further addition being made to the permanent debt of the colony.

27. For these reasons we are unanimously of opinion that the welfare of the present inhabitants of the interior, and the profitable settlement of a large and highly productive area, thus aiding in the general prosperity of the colony, imperatively require that the construction of the Otago Central Railway be proceeded with and steadily carried forward to completion without delay.

28. No objection against the prosecution of the undertaking can reasonably be taken on the ground of expensive works. The first twenty miles, in course of completion, is the portion on which the most expense in proportion to the mileage will be incurred, the total cost of the section on hand being £213,000, or £10,650 per mile. The line has been authorized as far as Taieri Lake, forty-five miles farther, which latter portion can be completed for £287,000, or £6,400 per mile, making a total for the sixty-five miles from Chain Hills to Taieri Lake, already authorized, of £500,000, or £7,700 per mile. The remaining part of the line is singularly free from heavy works. It traverses stretches of fine agricultural plains, where the earthwork is remarkably light. There are no tunnels or costly bridges, the line through the Clutha Valley having been judiciously laid out on one side of the river. The estimate for this portion, 115 miles, is £680,000, or, say, £5,900