Fairdown, where a quarry was then supposed to exist, which was proved to be useless. To the Fairdown a line of railway was already laid when Sir John John Coode was here, but when it was found that the stone must come from Cape Foulwind, it became necessary to construct a line to the cape, which was not provided for in his estimate. This was a somewhat costly line—seven miles long—and it had to be taken down to the level of the sea-beach on a gradient of 1 in 40, through deep cuttings and high embankments. In addition a branch line 60 chains long was constructed to reach the limestone quarry, which was on the top of the terrace at the back of the granite. These lines were laid in a substantial manner, having in view the heavy traffic intended to be carried, and a costly plant of locomotives, cranes, and rolling-stock was procured, also with the view of doing a large traffic and hastening the completion of the work. These anticipations have been justified, and the permanent-way and plant are now on hand in good condition.

Taking Sir John Coode's estimate as the basis of the value of the work done on the breakwaters, the actual cost as now ascertained must be considered as very economical. Sir John Coode estimated the cost of the breakwaters, including the Buller Bridge and all plant and appliances, but not including the railway to Cape Foulwind, at £438,776. The actual cost, taking the same basis as he did—that is to say, excluding the Cape Foulwind railway—is £297,037 But, as the stone had to come from Cape Foulwind, the railway had to be made to the cape, and the cost, including its construction, was £336,320 and there remains the plant and permanent-way on hand, which is worth, taking depreciation into account, about £23,500. The total expenditure to date has been

£384,095 16s. 4d., which may be classified as follows:—

	£
Expenditure on breakwaters, with roads and plant up to date	326,320
Mokihinui Railway	12 500
Dredges, hoppers, and miscellaneous plant	18,285
Dredging in river	8,384
Extension of staiths, coal-bins, and wharves	9,651
Inner training-wall	1,237
Additional rolling-stock (coal traffic) .	3,595
Orawaiti overflow and relief-channel works	3 364
Sundries	309
Total	£384,095

There remain certain works to be done—namely, to complete the breakwaters, to make the training-wall, to dredge a navigable channel, and provide certain requisites to equip the harbour for an extended traffic—the total of which is estimated to cost £116,200, which may be classified as follows:—

Works not contemplated in Original Estimate.—List of works remaining to be done to complete the original design and to equip the port for the coal traffic:—

	£
Completing the ends of breakwaters	10,000
Extension of staiths	15,000
Extension of merchandise wharf	5,100
Face-piling at staiths to keep stones from rolling under ships' bottoms	3,000
Training-walls	42,500
Dredging as defined in report herewith	14,500
Orawaiti overflow protection, say	6,200
Addition to rolling-stock for coal traffic	4,000
Mokihinui Railway completion	12,500
Administration	3,400
Total	£116,200

These two sums added make a total of £500,295. This includes, however, various works not taken account of in the original estimate, but necessary for the development of the port, amounting on the whole to £139,890, of which the following is a statement either already executed or intended to be done:—

Mokihinui Railway Dredges, hopper-barges, and miscellaneous plant Extension of staiths, wharf, and coal-bins Training-walls Additional rolling-stock for coal-traffic Orawaiti overflow and relief-channel Sundries	£ 25,000 18,285 32,751 43,737 7,595 9,564 309
Sundries Administration	309 $2,649$
Total	£139.890

Works executed below Original Estimate.—Sir John Coode estimated the dredging at £50,000, but I have estimated what may be necessary at £23,334, which, being deducted, leaves the cost of works as less than the original estimate by the sum of £101,705. Apart from any comparison by the original estimate, I consider that the works have been carried out economically and quickly The cost of the stone, including interest and every other charge, has been 4s. 6½d. per ton, which is a moderate cost considering the circumstances under which it was obtained. The cost of the staging was £11 10s. for the west, and £9 14s. per running foot for the east breakwater