

The Kaihu Valley line, which extends from Dargaville northward to Donnelly's Crossing, will also be referred to in the course of the report. The following are relevant data regarding that section of line :—

	Distance.	Total Cost.	Cost per Mile.
Dargaville-Kaihu (open line completed 1893)—	Miles.	£	£
Actual cost	16½	54,948	3,330
Kaihu - Donnelly's Crossing (open line, completed 1923)—			
Actual cost	7½	122,189	16,292
Totals	24	177,137	
Average cost per mile of line			7,381

This isolated section would be connected with the main North Island railway system by the completion of the Tangowahine-Dargaville line.

The Board left Auckland on the morning of the 22nd July for an inspection of these lines, being accompanied by the General Manager, the Hon. C. J. Carrington, M.L.C. (representing the Right Hon. J. G. Coates, member for Kaipara), and by officers of the Railways, Public Works, and Lands Departments.

The Board was met at Waiotira by the Mayor of Dargaville, the Mayor of Whangarei, the Chairman of the Whangarei Harbour Board, and other representatives of local interests. At Dargaville, and later at Donnelly's Crossing, the Board met local settlers and business men and received many oral and written statements in reference to the completion of the line. The Board has given careful consideration to these statements, as well as to the information obtained and the observations made during the inspection, supplemented by a close analysis of the Departmental records and data.

The problem is whether the completion of the Tangowahine-Dargaville Section is justified, having due regard to the transport requirements of the district and to the financial results that will follow from the operation of the Waiotira-Donnelly's Crossing line if the work is completed and the whole line taken over by the Railways Department.

With regard to the transport requirements of the district, the position is materially affected by geographical conditions peculiar to the locality. These conditions arise from the natural facilities for transport by water made available by the extensive waterways of the Kaipara Harbour and of the Wairoa River, covering the whole area from Helensville in the south to Dargaville in the north. No point in the whole area served by the proposed railway is far distant from these waterways on the one side or from the shipping facilities of Whangarei Harbour on the east coast. It is a well-established fact that transportation by water can be provided at a lower cost than transportation by land. It is not surprising, therefore, to find that the transport requirements of this area are being met to a large extent by vessels of various kinds operating on these waterways, and that they secure a large proportion of both the goods and the passenger traffic. Further, the roads throughout the area have been greatly improved, with the result that road transport has become an important factor and provides an easy means of short-haul transport to and from the waterways already mentioned. In addition, the motor services secure a considerable volume of passenger and parcels traffic to and from Auckland.

The Board finds that under present conditions the transport requirements of the district are being met to a substantial extent by the combination of water and road transport, and that, generally speaking, these requirements are by no means dependent on the completion of the railway.

The Board feels that the prospective financial results of the proposed railway must be considered in the light of the conditions referred to above, having regard also to the volume of business now offering in the district and to the possibilities of further development. The district is not densely populated, and passenger traffic will always be proportionate to population. The volume of passenger business that would be secured by the railway would fall far short of what would be required from that source to show a return commensurate with the high cost of constructing the proposed line and the cost of working the traffic thereon.