

every reason to believe, that there will be a considerable increase in the business by reason of the location of a goods-station in the industrial quarter of the city. It is evident that the outlay of capital on the extension of the Wellington-Woodville Railway, and the through connection with the Hawke's Bay district, when completed, must necessarily result in an increased goods-traffic, and consequently an increase in the earnings of the railway.

With an increased-goods traffic, however, it is imperative that additional station accommodation for goods should be provided, and with additional traffic there would be an additional revenue, which would cover the cost of construction, working-expenses, &c., and which would more than compensate for any loss sustained by the division of the Wellington traffic between Thorndon and Te Aro. Moreover, it is probable that ere long the Wellington-Manawatu Company's railway will become the property of the Government, and to the acquisition of this line by the Government the Commissioners are, I believe, favourably disposed. When this is accomplished, the increased traffic resulting therefrom will necessarily demand increased goods-station accommodation.

The Commissioners must admit that at the present time the goods traffic is divided between the Wellington-Manawatu Railway and the Government line, and yet, notwithstanding this division of traffic, the company have been enabled to pay for the past year a dividend of 5 per cent.

In constructing a work of the nature of the Te Aro extension we must look ahead, and it is advisable that provision should be made for eventualities which are inevitable. This the Commissioners practically admit, as in their memorandum of 23rd June last, in reply to a question asked in the House during the last session of Parliament, they say that the "railway line would of course be available for goods- and passenger-traffic at any future time if need be," but that "at present it would be objectionable to make any special provision for goods at Te Aro." It is not, however, contemplated to have any "special provision" made, but to simply arrange for an ordinary goods-station being erected at Te Aro.

Even in respect to passenger traffic only at Te Aro, the Commissioners have seen fit to alter their views very considerably. In your memorandum of the 11th January last, the future traffic to Te Aro was termed suburban traffic, and it was further pointed out that the service between Thorndon and Te Aro could only be of the nature of a tram service, but at the interview I had the honour to have with the Commissioners on the 14th instant you then admitted that two-thirds of the passenger-traffic would probably be from Te Aro, and provision was also made in the plans submitted by you for a passenger platform of considerable size on each side of the line.

The Commissioners say that to provide a second goods-station for a town the size of Wellington is unjustifiable. This statement was, no doubt, intended to apply to both a goods- and passenger-station, although the Commissioners do not say so in so many words. Parliament, however, which is the supreme authority in such matters, does not concur in this view, and having duly authorised the construction of the railway, and voted the funds required for the purpose, the Government, as the executive body, considers it necessary that the work should be so constructed, and the money expended as may best suit the requirements of the trade and residents of Te Aro, and so insure the best results being obtained therefrom. The Government feel satisfied that when this has been done, and provision made for goods as well as passenger-traffic, the net earnings of the railway will not be diminished.

The Commissioners stated at our recent interview, and also in the memorandum of the 16th instant, that there is not proper room to approach, extend, or work an efficient goods-station at the site of the passenger-station at Te Aro. In order to learn what grounds existed for this sweeping assertion, I invited you to submit detailed plans, &c., showing what would have to be done in order to meet the requirements of the goods-traffic at Te Aro, so that I might be in a position to know what accommodation would be required and also be informed as to the Commissioners' gauge of the probable amount of the goods-traffic to be expected there. The impression left upon my mind at the interview with the Commissioners already referred to was, that you considered the goods-traffic would be of a very limited character. If such is the case, then the station accommodation required would be correspondingly small, and its subsequent extension very remote.

The Commissioners, however, declined to submit any such plans or advise me in any way as regards a goods-station, and under these circumstances, and in order to give effect to the wishes of Parliament, I feel compelled to seek the assistance of other experts, and am now advised by such experts that there is sufficient room for a goods-station at Te Aro, and that one can be provided at a moderate cost.

With regard to the contention of the Commissioners as to the power conferred upon them by section 31 of "The Government Railways Act, 1887," I can only say that the Commissioners have been consulted in the matter, but have refused to approve of the erection of a goods-station. What would be the result if the Commissioners took up the same view with regard to a passenger-station at Te Aro? Although Parliament has said that there should be an extension of the railway to Te Aro, the Commissioners might say that as they would not locate the station, the railway should not be extended.

By the Railways Authorisation Act of last session Parliament has declared that there shall be an extension of the railway, and as the extension of the railway is intended to meet the public convenience, provision must be made for both goods- and passenger-traffic, on the principle that the greater includes the less. I do not consider that it would be wise to take legal action in order to compel the Commissioners to locate and approve of a goods- as well as a passenger-station at Te Aro, as that would seem to be frittering away money which might be better spent on the execution of the work itself, and I therefore intend to do the best I can in the direction of expending the whole of the funds voted for the railway in useful construction works. In this connection a somewhat parallel case occurs to me—namely, that of the Mount Rix Wharf, which was constructed under the authority of my predecessor, without the approval of the Commissioners. The Commissioners refused to take charge of the wharf, or work the same when completed, but last session