

if it had the required revenue, would be to do as much dredging as the funds in hand would reasonably allow, and so on from time to time. As far as I have been able to ascertain after careful inquiries, the cost of the present wharf has been between £5,000 and £7,000, which, of course, does not include reclamation, laying of rails, &c. That would be for the benefit of the Railway Department, who have got a large yard there on the old Harbour Board foreshore. The revenue from the wharf from the 1st April, 1909, to the 28th February, 1910, eleven months, was £2,230 7s. That would be the gross amount. Allowing for expenses, the net revenue would be considerably less than this. It is to be borne in mind that if the river were kept in proper condition, and every reasonable encouragement to shipping given, this revenue would increase enormously; but while the present state of affairs continues and nothing is done to the river, the revenue is more likely to decrease. As a matter of fact, it has decreased considerably for the last six months, owing to nothing having been done to the river. Since the Board came into existence the cost of managing what was previously managed by the Marine Department has decreased by a very large amount, and the management has been equally effective. This can be shown by the following figures, which, in regard to the Marine Department, are, I believe, correct, and are, at any rate, as near as I could obtain. The Marine Department paid—

Harbourmaster	£
Levin and Co.	210
Pilot's assistant	200
	36
	£446

The Foxton Harbour Boards pays,—

Harbourmaster	£
Assistant	200
	25
	£225

Of the endowments given by the Foxton Harbour Board Act to the Board, the one having the most prospective value is the foreshore, and of this the most important part was that between the Foxton wharf and Levin and Co.'s wharf. The value of this part of the foreshore lies in its convenience for business purposes. Messrs. McMurray and Co. proposed erecting buildings for shipping purposes on this land, and the Board expected to get the benefit of that, but in the *Gazette* of the 26th August, 1909, a Proclamation was published by which the Government took this part of the foreshore. The Harbours Act gives the Government power to take Harbour Board lands for railway purposes, and prevents the Board from claiming any compensation for land so taken, unless material damage is done to buildings belonging to the Board. By this move the Government took away from the Board, which is already deprived of its revenue, the only land which gave it any chance of getting any revenue. The interests of the railways are made paramount to everything, particularly to shipping. A good deal has been said about the danger of development of the port injuring the railways. Even if it did, the sole object should not be the advancement of the interests of the railways without regard to anything else, any more than it should be the advancement of the port regardless of everything else. The general welfare of the district or the country, and not the welfare of any particular Government Department, should be the basis of a decision on the matter. In any case the railways would be benefited, rather than injured, by the development of the port. There are many things, including very heavy material, which are more conveniently carried by water. There is also more carriage required than the railways can conveniently cope with, and this will increase. Water carriage will never injure the present facilities for carriage by land from Wellington, unless these are unnecessarily increased. All the present carrying-capacity of the Wellington-Manawatu Railway will always be fully occupied, however much the carrying-capacity through the port may be improved. Moreover, it is to the advantage of the Railway Department to have the Foxton port well developed as an accessory to its carrying business. The cost of haulage from Foxton to Palmerston is considerably less, in proportion to the distance and consequent expense to the Department, than it is from Wellington to Palmerston North. An engine which can haul 200 tons out of Foxton could only haul 100 tons from Wellington to Paekakariki. The Railway Department cannot make up for this additional expense by putting it on to the consignors, unless it closes up the Foxton port altogether, and thus takes away any possible competition from this source. That is as things now are, and they must at least remain so if they cannot be improved. The Wellington-Manawatu line has to compete with the port, and therefore cuts its rate to a lower proportion than what it gets on the Foxton-Palmerston line. As it cannot absolutely shut up the port, it would pay it better if the port were sufficiently opened up to enable it to carry a greater amount of traffic on the Foxton-Palmerston line than at present, seeing that it gets a higher rate on that line, owing to the cheaper cost of haulage. When it is considered that the Wellington-Manawatu line is now overtaxed, and the Foxton-Palmerston line is not, and the latter line is more profitable in proportion to its length than the Wellington-Manawatu line, it is apparent that it would be to the advantage of the Railway Department, instead of to its detriment, to encourage rather than oppose the development of the port, and consequently the increase of traffic on the Foxton-Palmerston line. I want to make myself clear on this part of it. We will take Class A on the railways. The railage from Foxton to Palmerston is 16s., over flat country for twenty-four miles. I do not know whether I am right to a shilling as regards the rate the Manawatu Company used to charge from Wellington to Palmerston, but I think it was £1 4s. 6d. for Class A. If the railway competes with the port, it will have to come down to £1 4s. 6d. That would mean hauling Class A over sixty-four miles of Government railways for 8s. 6d. per ton.