

on the ground that a large part of the country which it would open up is still in the hands of Native owners ; and inexpedient, on the ground that the value of the land which the line would serve has been greatly overrated, and that the undertaking would be an unprofitable one, which the colony would not be justified in entering upon." What happened since 1880 has proved that the Commission did not have sufficient prevision to see how the district would develop.

Keeping these facts in view, the first question that arises is, Ought a harbour to be maintained at Foxton? We must assume that this is the declared policy of the State. No suggestion has been made that the port should be closed and the wharf and other harbour-workings abandoned. This being so, the next inquiry should be, Can it be maintained in its present condition without the expenditure of money, and without steps being taken by dredging or otherwise to keep the lower part of the harbour and the bar deep enough for small vessels? The evidence leads us to believe that it is doubtful if the harbour can continue to be profitably utilized if some steps be not taken to assist the river in keeping a depth sufficient for small craft. The expert engineers differ as to whether dredging would be sufficient. We are inclined to think, in addition to dredging, some works would have to be erected to control and direct the waters of the river. If such works are required a considerable expenditure would be necessary, and in view of what has taken place in other similar rivers, perhaps £50,000 will not be an excessive estimate. But were this done, the harbour would be improved and would be more serviceable than it is now. In order to enable this work to be done either Government must make a grant for the purpose, or a harbour district must be created and the Harbour Board granted rating-powers over this district. If the Government were to grant the necessary moneys, then the Government would be entitled to hold the present Railway Wharf with all its earnings to recoup it for the necessary moneys required for improvements. If, however, the Government decline to make such a grant—and it has not been suggested to us that there is any likelihood of a grant being given—then we are of opinion that all ordinary sources of Harbour Board revenue should be vested in the Board.

Is, then, the charge imposed on goods for wharfage more than is necessary to pay for the handling of the goods by the Railway Department from the ships to railway? It is clear that it is. The gross revenue from the wharf is about £3,500, and after paying for all labour for the handling of the goods there is a balance far more than sufficient to pay for maintenance and for the interest and any sinking-fund charges if required for the cost of the construction of the wharf. If this is the case, any balance that remains is strictly a harbour due, and should, in our opinion, be used for harbour purposes. It is a due or rate that is not strictly earned by the Railway Department, and if the Railway Department does not undertake Harbour Board functions the money should go to the authority that controls the harbour—viz., the Foxton Harbour Board.

The present value of the structure was estimated by the experts at £3,700, and this estimate has not been disputed by the Railway Department. No evidence was called by the Railway Department to show its present actual value as a structure. What the Railway Department contended was that it should be valued as a property earning a large income from a wharfage rate. That would mean that a harbour rate should be deemed a perpetual vote for railway purposes.

We recognize that at present, and until the harbour-work is differently organized, the wharfage rate can be most economically collected as it is collected at present. Our recommendation is that, subject to the conditions hereafter stated, the price should be fixed at £5,000, and the Board should have a right to purchase.

The "wharf" is to include—(a) The structures themselves; (b) the area leased to Levin and Co.; (c) a strip of land 5 ft. wide behind the actual structures of the wharves; (d) a right-of-way 33 ft. wide across the railway-yard.