It is to be regretted that the Department cannot claim some compensation from the land-owners in the shape of a betterment rate, to assist in meeting the expense of building the railway.

A glance at the map accompanying this report (Appendix No. 4) will show that when the new railway to Westfield is completed and the present main line duplicated it will be possible to run an inner suburban circle service from the Auckland High Level Station via Orakei, Panmure, Westfield, Remuera, back to Auckland. The cost of the new station and marshalling-yard will be £450,000, and the cost of the new railway via Hobson Bay £375,000. Both will take about five years to complete. Ultimately a credit of £220,000 can be placed against this expenditure, being the value of the land between the post-office and Breakwater Road, at present occupied by the passenger-station.

At some future period when the traffic north of Auckland increases sufficiently to justify the expense it will be desirable to extend the Main Trunk line straight through Auckland Station, carrying the line westward over Queen Street and through the suburb of Ponsonby, and joining

the present railway to Kaipara at either New Lynn or Kumeu.

A railway on this route would enable traffic from the north to be brought into Auckland over easier grades and by a shorter route than the present line via New Lynn and Newmarket, and will open out a suburban area not now served by a station. The site selected for the new station renders this extension possible. The route of the railway via Ponsonby is indicated on the map of the Auckland District attached (Appendix No. 4).

Engine-depot, Hobson Bay.

The reclaimed land in Mechanic's Bay will all be required ultimately for the station and traffic sidings. It will be necessary, therefore, for the engine-depot to be placed on reclaimed land in Hobson Bay. The reclamation for this purpose and erection of engine-sheds is estimated to cost £150,000.

It is proposed that the land which has been prepared for an engine-depot at Newmarket be utilized for an extension of the railway workshops, so as to admit of engines being built by the Railway Department in the North Island.

Duplication of Newmarket - New Lynn Railway.

The development of the suburban business on the Kaipara Branch, together with the increasing traffic from the district north of Auckland, renders necessary the duplication of the railway from Newmarket to New Lynn, together with a direct junction at Newmarket for trains running between Auckland and the stations on the Kaipara Branch. The severe gradients on this branch (1 in 40) tend to slow down the running, and emphasize the difficulty of working heavy traffic on a single track. The opportunity will be taken whilst duplicating the line to dispense with a number of level crossings and somewhat improve the grades. The work will cost £200,000, and will take five years to complete.

Wellington Central Passenger and Goods Station.

The Wellington business is at present carried on at two separate stations (not counting Te Aro), neither of which is laid out in a manner conducive to economical or expeditious handling, having been added to and patched as increasing traffic has necessitated. The present method of working is inconvenient to the public, whilst it is impossible for the Department to deal with the traffic satisfactorily.

It is estimated that the traffic to be handled in Wellington will, at the present rate of progress, double itself in less than ten years, and as the stations are now taxed to the utmost at busy periods, it is clear that no time should be lost in providing the increased accommodation in a

central position.

Plans have been prepared showing a passenger-station fronting Bunny Street, and a goods-station slightly farther to the north, with entrance off Waterloo Quay. The station is in an admirable position, considering the area of ground required. It is necessary that the station should be adjacent to the wharves, especially the Ferry Wharf, to facilitate the exchange of both

passenger and goods traffic.

The plan attached to this report (Appendix No. 5) sets forth in detail the lay-out of the station, the inset on the plan showing how the passenger accommodation can be increased when the necessity arises. The lay-out of the goods-yard can be straightened and improved when the reclamation is pushed out to the line of the future seawall, and when this occurs the Department will be able to dispose of the valuable land east of Thorndon Quay shown on the plan as occupied by goods sidings.

The engine-depot will be placed on land to be reclaimed between Thorndon and Kaiwarra. It is proposed that colliers with locomotive coal shall berth alongside the breastwork and discharge their coal directly on to the coal-stacking ground or into trucks for country stations.

The cost of the Wellington Central Station is £475,000, and the work will take five years to complete from date of commencement.

Te Aro Station.

The plan for the Central Station does not contemplate the continuance of the Te Aro Station, and I propose that this branch line be closed, the rails being taken up from Waterloo Quay, and the property occupied by Te Aro Station sold as a credit towards the expense of building the new Central Station.

I am aware that there is a section in Wellington living in the neighbourhood of Te Aro who not only wish the station to be retained, but desire it enlarged to deal with goods business. I have received a deputation from that section, and their wishes should be treated with every