

The conditions we submit are—

- (1.) This right is not to arise until the district interested in the harbour shall have been constituted a Harbour Board, rating district sufficient to provide rates of at least £4,000 a year.
- (2.) Pending the constitution of this rating-area and the transfer of the wharf, the Railway Department shall keep an account of the income from the wharfage rates levied, the cost of working the wharves, maintenance, interest on cost of construction, repairs and expenses of management, and the balance over shall be put aside as belonging to the harbour, and on the purchase being completed will be paid to the Harbour Board.

II. The second question deals with the purchase of the Sandon Tramway, and we are of opinion that, considering the many demands on the Government for railway services, it is not desirable that this tramway should be purchased by the Government. The tramway was constructed for three purposes—(1) To get at a cheap rate material for road-construction in the Manawatu County; (2) to be the means of carrying goods and produce between Sanson and Himatangi; and (3) to perform such services as are usually performed by light railways. The tramway has no doubt helped in the development of the county, but the Railway Department has not the control of tramways in the Dominion, and the tramway is essentially a county work and could not be said to be of value to the Dominion as a whole.

III. The next question turns on whether there should be any connection permitted between the tramway and the Main Trunk line at Marton or Greatford. There may be three kinds of connection: (a) The tramway may be made so close to either of these stations that passengers may alight in proximity to the station, and goods may be taken from trucks on the tramway and placed either in railway-sheds or in trucks on the main line; (b) the tramway-line may be made to come closer to the station so that it is on a line parallel to a siding off the main line, and goods may be easily shifted from one truck to another; (c) the tramway may be physically connected with the main line, and mutual running-rights over tramway and railway may be arranged. The Railway Department cannot object to the first kind of connection if the tramway does not end on railway land. And it might end on private property or on the main road adjoining either station. To enable such an extension of the tramway to be constructed, no doubt, the requisite permission could be obtained by Act or from the Rangitikei County. Both counties might come to some arrangement regarding this extension of the present Manawatu Tramway. The county and others that are desirous of seeing a "connection" between the tramway and the main line say that such a connection would be of little use to the county, as the labour required to transfer the goods from the tramway to the railway would be as expensive as the carriage of goods by rail to Himatangi and thence by tram to where required in the county. (d) The second suggestion is that for what has been called a "dead-end" connection. There would be no physical connection with the main line, but the transfer of goods would be easy. This system has, we believe, been used on some sidings. The objections raised to such a connection are mainly three: (1) It is said it would interfere with the railway traffic and lead to undue competition, or, at all events, to competition not in the interests of the Railway Department; (2) it would necessitate a considerable expenditure to make either of the present stations suitable for such a connection; (3) the grant of such a "dead-end" connection is only a step forward to obtaining a full physical connection with "running-powers" over the railway. So far as the second objection is concerned, it may be stated that any cost of such a connection would have to be borne by the tramway. As to the third objection, we do not think we can deal with such a suggestion. We must assume that a further grant of privileges will not be made contrary to the public interest. There are many sidings in the Dominion connected with the line of railway, and there has been a demand made for light railways, and a statute has been passed providing for their construction—viz., the Local Railways Act, 1914. The tramway is utilized for some of the work that a