

competitor with the railways for traffic originating on the Foxton line, which at that time would go round via Palmerston and Feilding to Marton. However, after a considerable amount of correspondence it was agreed to allow the junction, but purely as a private siding, and under the ordinary terms provided for in the private-sidings agreement. The next suggestion was that the Government would allow its trucks to run on the line. That was agreed to after a considerable amount of correspondence, and in that connection I may say that the wagons of that time and of to-day are quite different things altogether—they were lighter and of less carrying-capacity than present four-wheeled stock.

211. The class of wagon has improved?—Yes, the wagons are bigger and of greater carrying-capacity. The tram was originally worked by a locomotive which had done service on the Wellington City steam tramways. After the line had been open some time a certain amount of traffic was sent from Foxton to Sanson and other tram stations. The Manawatu County Council then asked for running-rights over the Government line to Foxton. They pointed out that this would save delays at Himatangi Junction to traffic going to and coming from the Sanson line, and would be a convenience to the settlers as well as relieving the New Zealand Railways of the necessity of hauling the trucks from Foxton to Himatangi and doing extra shunting there. That was agreed to, the County Council to pay the Department a fixed rate of 1s. 6d. per ton for the use of its line between Himatangi and Foxton.

212. What do you say as to that rate: was it a specially low rate or the usual rate?—It was an exceedingly low rate.

213. So that you were giving the County Council the benefit of an exceedingly low rate for running over your line?—Yes.

214. Then, with regard to demurrage on trucks?—There was misunderstanding and difficulty in connection with that. There had been some correspondence between the County Council and the Minister, and owing to the conditions not being clearly understood a rate of 1s. per day of twenty-four hours was inadvertently quoted for the use of wagons while they were on the Sandon line. Immediately that came under the notice of the Railway management it was realized that a mistake had been made, and the Railway authorities endeavoured to rectify it, without success. A good deal of correspondence took place; but the result is that the County Council have always had the use of the railway-trucks at 1s. per day, which is half the rate that we charge the Public Works Department—a Government concern—for the use of wagons for constructing a railway, the cost of which is going to be put into our Capital Account, and on which the Working Railways have to earn interest, when it is finished.

215. What would be a reasonable and fair charge for the Department to make?—The charge made for the use of a four-wheeled wagon is 4s. a day to any company that uses railway-wagons on its own line, and that is the rate the Sanson Tram should be paying.

216. And for that same service the Manawatu County Council is paying 1s. a day?—Yes, and unfortunately the Council have not to pay a higher rate if they keep the wagon for more than twenty-four hours.

217. What do they pay you then?—The initial charge is for twenty-four hours. Sometimes they keep wagons for three or four days, but not as a rule, so demurrage-charge rarely operates. As a result of allowing this connection the business of the Sanson line has gradually increased. It did not pay for a very long time. As a result of the connection there has been for years an agitation to extend the line still farther and junction with our line, for no other reason than competitive purposes. It is made perfectly clear in the correspondence, and from what the witnesses have said I have gained the impression that if they had this connection at Marton they would be able to carry out what they desire, and divert our traffic. We are told that the Manawatu County Council have no idea of competing with the Government railways. In respect to that it is an absolute fact that they compete with us now via Foxton. The district between the tramway and the railway is served by good roads. The Railway Department having cancelled all special rates which were in operation when the Manawatu Company's line was taken over, has caused a considerable diversion or increase in traffic by the sea route to Foxton. The Sandon Tram comes right into Foxton on the Government line and gets a considerable quantity of this sea-borne traffic and hauls it along the tram-line, not for the district served by the tram, but for stations on the Government line and in actual competition with the State railways at the present time.

218. You mean goods going to the Rangitikei County?—Goods for Feilding now go to Sanson by tram and are carted by motor vehicles to Feilding.

219. What class of goods?—Benzine, sugar, and kerosene. The Sanson Tram pays no special charges on goods received ex ship. I received from a responsible officer a telegram which stated, "Foxton to Sanson, including our toll of 1s. 6d., benzine 16s. 8d., kerosene 13s. 4d., sugar 12s. Approximate quantity railed last six months to Sanson, 800 bags sugar, 1,600 cases kerosene, 4,900 cases benzine and motor-spirits. Sixty per cent. or more of those goods are for Feilding."

220. We know that your charges in regard to benzine are very heavy because they are inflammable goods?—Yes, benzine is rate and a half.

221. And does that apply to sugar?—No.

222. *The Chairman.*] What would it cost to take them from Foxton to Feilding by railway via Palmerston?—For the thirty-five miles, 35s. for benzine, not including the 10-per-cent. additional war charge, 23s. 4d. for kerosene, and 19s. 6d. for sugar. It is very evident that the Sanson Tramway does not adopt the Government classification of rates, or benzine would be charged rate and a half.

223. *Mr. Myers.*] Then, what with the different classification and the concessions that you give them as to running-rights on special trams, they are competing with you?—Yes, they are competing with us for traffic that is ex ship for stations on Government line.