1916.

NEW ZEALAND.

FOXTON WHARF AND MAIN TRUNK DEVIATION COMMISSION

(REPORT OF THE) TOGETHER WITH MINUTES OF PROCEEDINGS AND EVIDENCE.

Presented to the House of Representatives by Command.

COMMISSION

TO INQUIRE INTO AND REPORT AS TO THE ADVISABILITY OF SUGGESTED PURCHASE OF FOXTON RAILWAY WHARF BY THE FOXTON HARBOUR BOARD, CONNECTION OF SANDON TRAMWAY WITH THE MAIN TRUNK RAILWAY LINE, AND FORMATION OF NEW RAILWAY-LINE CONNECTING FOXTON WITH THE EXISTING LINES AT LEVIN OR OTHER SUITABLE POINT.

LIVERPOOL, Governor.

To all to whom these presents shall come, and to the Honourable Sir Robert Stout, K.C.M.G., Chief Justice of New Zealand; William Mowat Hannay, Esquire, of Wellington; and Cyrus Williams, Esquire, of Lyttelton: Greeting.

WHEREAS it is desirable that inquiry should be made into the expediency of certain proposals, hereinafter set forth, relative to the working and extension of the railway system of New Zealand, and into the expediency of legislation for the purpose of carrying these proposals into effect:

Now, therefore, I, Arthur William de Brito Savile, Earl of Liverpool, the Governor of the Dominion of New Zealand, in exercise of the powers conferred by the Commissions of Inquiry Act, 1908, and of all other powers and authorities enabling me in this behalf, and acting by and with the advice and consent of the Executive Council of the said Dominion, do hereby constitute and appoint you the said

ROBERT STOUT,
WILLIAM MOWAT HANNAY, and
CYRUS WILLIAMS

to be a Commission to inquire into and report upon the following matters:—

I. Whether it is desirable in the public interest that the Foxton Harbour Board should be permitted to purchase from the Railway Department the Railway Wharf at Foxton, and, if so, on what basis the purchase-money should be ascertained, and what should be the terms and conditions of such purchase.

II. Whether it is desirable in the public interest that the Sandon Tramway should be purchased by the Government and be connected with the Main Trunk Railway at Marton or Greatford as part of the railway system of the Dominion.

III. Whether, in the alternative, it is desirable in the public interest that the County Council having the control of the Sandon Tramway should be permitted to connect that tramway with the Main Trunk Railway at Marton or Greatford.

IV. Whether it is desirable in the public interest that a new line of railway should be constructed by the Government from Levin or some other suitable point on the Main Trunk Railway to Foxton.

And with the like advice and consent I do further appoint you the said

ROBERT STOUT

to be the Chairman of the said Commission.

And for the better enabling you, the said Commission, to carry these presents into effect you are hereby authorized and empowered to make and conduct any inquiry under these presents at such times and places in the said Dominion as you deem expedient, with power to adjourn from time to time and place to place as you think fit, and to call before you and examine on oath or otherwise, as may be allowed by law, such person or persons as you think capable of affording you information in the premises; and you are also hereby empowered to call for and examine all such books, papers, plans, writings, documents, or reports as you deem likely to afford you the fullest information on the subject-matter of the inquiry hereby directed to be made, and to inquire of and concerning the premises by all lawful means whatsoever.

And, using all diligence, you are required to report to me, under your hands and seals, not later than the thirtieth day of June, one thousand nine hundred and sixteen, your opinion as to the aforesaid matters.

And it is hereby declared that these presents shall continue in full force and virtue although the inquiry is not regularly continued from time to time or from place to place by adjournment.

And, lastly, it is hereby further declared that these presents are issued under and subject to the provisions of the Commissions of Inquiry Act, 1908.

Given under the hand of His Excellency the Right Honourable Arthur William de Brito Savile, Earl of Liverpool, Knight Grand Cross of the Most Distinguished Order of Saint Michael and Saint George, Member of the Royal Victorian Order, Governor and Commander-in-Chief in and over His Majesty's Dominion of New Zealand and its Dependencies; and issued under the Seal of the said Dominion, at the Government House at Wellington, this thirty-first day of January, in the year of our Lord one thousand nine hundred and sixteen.

W. H. HERRIES,
Minister of Railways.

Approved in Council.

J. F. ANDREWS,
Clerk of the Executive Council.

EXTENSION OF FOXTON RAILWAY COMMISSION.

LIVERPOOL, Governor.

To all to whom these presents shall come, and to the Honourable Sir Robert Stout, K.C.M.G., Chief Justice of New Zealand; William Mowat Hannay, Esquire, of Wellington; and Cyrus Williams, Esquire, of Lyttelton: Greeting.

WHEREAS by a Warrant dated the thirty-first day of January, one thousand nine hundred and sixteen, and issued under my hand and the Public Seal of the Dominion, you were appointed a Commission to inquire as to the advisability of the suggested purchase of Foxton Railway Wharf by the Foxton Harbour Board, the connection of the Sandon Tramway with the Main Trunk Railway line, and the formation of a new railway-line connecting Foxton with the existing lines of railway at Levin or some other suitable point: And whereas it is expedient to extend the scope of the said inquiry in manner hereinafter appearing:

Now, therefore, I, Arthur William de Brito Savile, Earl of Liverpool, the Governor of the Dominion of New Zealand, in exercise of the powers conferred by the Commissions of Inquiry Act, 1908, and of all other powers and authorities enabling me in this behalf, and acting by and with the advice and consent of the Executive Council of the said Dominion, do hereby direct that your powers and functions under the said Warrant are hereby extended and shall be deemed to include the power to inquire into the question whether it is necessary or desirable in the public interest that a new line of railway should be constructed by the Government from Levin to Marton.

And with the like advice and consent, and in further pursuance of the said power and authority, I do hereby confirm the said Commission as extended by these presents.

Given under the hand of His Excellency the Right Honourable Arthur William de Brito Savile, Earl of Liverpool, Knight Grand Cross of the Most Distinguished Order of Saint Michael and Saint George, Member of the Royal Victorian Order, Governor and Commander-in-Chief in and over His Majesty's Dominion of New Zealand and its Dependencies; and issued under the Seal of the said Dominion, at the Government House at Wellington, this first day of June, in the year of our Lord one thousand nine hundred and sixteen.

W. H. HERRIES,
Minister of Railways.

Approved in Council.

J. F. ANDREWS,
Clerk of the Executive Council.

REPORT.

Wellington, 24th June, 1916.

To His Excellency the Governor.

YOUR EXCELLENCY,—

In pursuance of the Commission issued by Your Excellency to us, dated 31st January, 1916, and of the Supplementary Commission issued to us on the 1st day of June, 1916, we have the honour to report as follows :—

The questions submitted to us were the following :—

I. Whether it is desirable in the public interest that the Foxton Harbour Board should be permitted to purchase from the Railway Department the Railway Wharf at Foxton, and, if so, on what basis the purchase-money should be ascertained, and what should be the terms and conditions of such purchase

II. Whether it is desirable in the public interest that the Sandon Tramway should be purchased by the Government and be connected with the Main Trunk Railway at Marton or Greatford as part of the railway system of the Dominion.

III. Whether, in the alternative, it is desirable in the public interest that the County Council having the control of the Sandon Tramway should be permitted to connect that tramway with the Main Trunk Railway at Marton or Greatford.

IV. Whether it is desirable in the public interest that a new line of railway should be constructed by the Government from Levin or some other suitable point on the Main Trunk Railway to Foxton.

The following additional question is submitted to us by the Supplementary Commission :—

V. Whether it is necessary or desirable in the public interest that a new line of railway should be constructed by the Government from Marton to Levin.

After due advertisement we held meetings of the Commission at Foxton, Palmerston North, and Wellington. Counsel appeared before us representing the following: The Railway Department; the Foxton Harbour Board; the Borough Councils of Palmerston North and Feilding; the Chambers of Commerce of Palmerston North and Feilding; the County Councils of Kairanga, Pohangina, Oroua, Kiwitea, Rangitikei, Manawatu, and Horowhenua; the Borough Councils of Marton, Levin, and Foxton; and the Bull's Town Board. A large number of witnesses were examined and various documents put in. We forward with our report a note of the evidence taken and letters and documents put in and received by us. We have not thought it necessary to forward the plans produced, nor the contracts relating to the construction of the wharf and railway, as they can be obtained from the Government archives. The contract exhibited to us was not for the construction of the Foxton Wharf alone, but for the construction of the wharf, railway-station, and part of the railway-line. It was impossible from the contract to fix the actual cost of the wharf.

I. The first question is, as has been set forth, whether it is desirable in the public interest that the Foxton Harbour Board should be permitted to purchase the Railway Wharf at Foxton. It is always a difficult question to deal with subjects that are connected with public policy or public interest. Many Courts and jurists have pointed out that what is contrary to public policy is generally difficult, and in some cases impossible, to define. We have had to bear in mind the following:—

(*a.*) The Parliament has recognized that the harbour at Foxton should be under local control. An Act constituting a Harbour Board at Foxton was passed in 1876, and this Act was repealed in 1878, and the Board reconstituted under the Harbours Act, 1878. Later the Foxton Harbour Board was dissolved in 1886, and reconstituted in 1908.

(*b.*) No works have been undertaken by the Harbour Board for the improvement or development of the harbour, the reason being that the Board has had no funds for the purpose. There is no power to rate lands at or near the harbour, and the dues that could be imposed would be insufficient for the purpose.

(*c.*) Unlike other Harbour Boards, the Foxton Harbour Board has had no endowments of any great value vested in it. The small areas of land granted to it yield at present a revenue of only £241 per annum.

(*d.*) Many other Harbour Boards, such as Auckland, Wellington, Dunedin, Wanganui, Westport, &c., have got valuable endowments.

(*e.*) The Foxton Harbour is not, and is not likely ever to be, suitable for any vessels save those of small tonnage. It cannot be anything but a port for small coastal vessels.

(*f.*) There is no proposal for any large works in the harbour. All that has been suggested is that the lower reaches of the harbour, and at times the bar, might be dredged by a movable sand-suction dredge.

(*g.*) There is a harbour on the coast at Wanganui about forty miles distant, which is a better harbour than Foxton Harbour can ever be, and at present goods for the counties north of Foxton are landed at Wanganui, and some of the exports from these counties are shipped from Wanganui.

(*h.*) The railway-line to and from Foxton joins the central line from Wellington to Auckland at Longburn. This railway was not made as a branch line to Foxton. The original design was that the main line should run from Foxton to New Plymouth. The idea of connecting Wellington and Palmerston was long in development. In fact, a Royal Commission appointed in 1880 reported that a railway from Wellington to Palmerston should not be constructed "as we consider the proposal is premature,

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.

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

light railway would provide for, and unless it can be held that the use of light railways is to be prohibited there seems no room for objecting to the Sandon Tramway being connected with the station at Greatford or Marton in the way and under the conditions we suggest hereafter.

We are of opinion the tramway is not suitable for any exchange of traffic between the railway and the tramway such as would be involved in the running of railway-trucks over the tram-line. The rails are for the most part light 40 lb. rails, a portion of them being 28 lb. only. The construction of the line is such also that it is unsuitable for carrying the ordinary railway-trucks. There can, therefore, in our opinion, be no closer connection than we have pointed out, and with such a connection it does not appear to us that there would be any risk of serious competition with the railway. We think, however, to ensure that the privileges of carrying goods that the railway has should not be encroached upon, that the goods delivered to the tramway at the siding, wherever connected, should only be goods for use in the Manawatu or Rangitikei Counties, and that no goods directed to any other county or place should be delivered to the tramway at such station. It should also be provided that no goods should be received from the tramway at such station save those that were produced in the Manawatu or Rangitikei Counties. With such safeguards the Railway Department could not be said to be subjected to unfair treatment or its monopoly of the right of carriage by rail encroached upon.

We recognize that the Railway Department is a business concern and a monopoly, and that it would not be in the interests of the State to allow rival lines to be established to injure its traffic, and hence we have suggested the restriction as to junction already referred to. At the same time it is in the public interest that all producers should be helped and not hindered in sending their goods to market, and if the counties of Manawatu and Rangitikei are willing to construct and maintain a tramway instead of a main road so as to help the settlers in these counties, nothing should be done to discourage such exertions. We feel bound, however, to state that, considering the advances being made in motor carriage, it may be a question whether such a connection would be a payable undertaking or commercially of much value to the counties. Indeed, we incline to the opinion that a tramway would be unable to compete with the present railway carriage.

IV and V. It was admitted that, considering the lines at present authorized in the Dominion and not yet constructed, and the financial outlook, the time is not opportune for discussing the construction of a main line either between Levin and Foxton or between Levin and Marton. We are of opinion the traffic does not demand such a connection, and it would be at present, and perhaps for many years to come, a waste of resources of the Dominion to undertake it. If it is hereafter of importance to shorten the line between Wellington and Auckland, then there are other districts in which the shortening might be carried out to more advantage, and which would at the same time open up fresh country.

All which we respectfully submit.

We have the honour to be,

Your Excellency's obedient servants,

ROBERT STOUT.

W. M. HANNAY.

CYRUS J. R. WILLIAMS, M.Inst.C.E.

MINUTES OF PROCEEDINGS.

THURSDAY, 18TH MAY, 1916.

THE Commission held a preliminary meeting in the Chief Justice's Chambers, Supreme Court, Wellington.

All the Commissioners were present.

Messrs. Skerrett, K.C., Myers, Weston, and Luckie, representing the various parties interested, were present, and a general discussion took place as to procedure.

It was decided to hold a sitting of the Commission in Palmerston North, to commence on Tuesday, 23rd May, at 10 a.m.

Mr. W. Hollis Cocker was appointed secretary to the Commission, and Mr. H. E. Le Grove official reporter.

FRIDAY, 19TH MAY, 1916.

The Commission met in the Borough Council Chambers, Foxton, at 10.30 a.m.

The Chairman read the Commission.

The branch of the inquiry relating to the proposed purchase of the Foxton Wharf by the Foxton Harbour Board was opened.

Counsel appeared as follows: Mr. M. Myers for the Railway Department; Mr. T. S. Weston and Mr. M. Luckie for the Foxton Harbour Board; Mr. Innes for the Palmerston North and Feilding Borough Council, the Palmerston North and Feilding Chambers of Commerce, and the Kairanga, Pohangina, Oroua, and Kiwitea County Councils.

The Commission adjourned for the purpose of inspecting the harbour and river by means of a motor-launch.

On resuming, the following witnesses were called by Mr. Weston and examined on oath: Richard William McVilly, Charles Henry Howarth, Samuel Jickell, Phillip Joseph Hennessy.

SATURDAY, 20TH MAY, 1916.

The Commission met in the Borough Council Chambers, Foxton, at 10 a.m.

The following witnesses were called by Mr. Weston and examined on oath: Albert James Kellow, Frank Lawton, George Henry Styles, Phillip Joseph Hennessy (further examined).

MONDAY, 22ND MAY, 1916.

The Commission proceeded by motor-car from Foxton to Marton, over a route agreed upon by counsel, in order to inspect the nature of the country which would be served by the proposed new line of railway.

TUESDAY, 23RD MAY, 1916.

The Commission met at the Supreme Court House, Palmerston North, at 10 a.m.

The following witnesses were called by Mr. Weston and examined on oath: John Carville Young, Meldrum Alfred Elliott, Francis Strachan Goldingham, Ernest Hugh Crabb, Thomas Raynor Hodder, Albert James Kellow, William Park.

At 2 p.m. the branch of the inquiry relating to the acquisition or extension of the Sandon Tramway and the proposed deviation of the Main Trunk line was commenced.

On this branch of the inquiry the following counsel appeared: Mr. M. Myers for the Railway Department; Mr. C. P. Skerrett, K.C., and Mr. M. Luckie, for the County Councils of Manawatu, Rangitikei, and Horowhenua, the Borough Councils of Marton, Levin, and Foxton, and the Bull's Town Board; Mr. Innes for the same local bodies as in the Foxton Harbour branch of the inquiry.

The following witness was called by Mr. Skerrett and examined on oath: Sir James Wilson.

WEDNESDAY, 24TH MAY, 1916.

The Commission met at the Supreme Court House, Palmerston North, at 10 a.m.

The following witnesses were called by Mr. Skerrett and examined on oath: Sir James Wilson (further examined), William John Phillips, William Strode Penney, Kenneth Waring Dalrymple, Fred. Purnell, Alfred Kingsley Drew.

THURSDAY, 25TH MAY, 1916.

The Commission met at the Supreme Court House, Palmerston North, at 10 a.m.

The following witnesses were called by Mr. Skerrett and examined on oath: Alfred Kingsley Drew (further examined), Howard Nicholson, Walter Ryder, Basil Robertson Gardener, John Alfred Bush, William Charles Kensington, Richard William McVilly.

FRIDAY, 26TH MAY, 1916.

The Commission met at the Supreme Court House, Palmerston North, at 10 a.m.

The following witness was called by Mr. Skerrett and examined on oath: Frederick Charles Wilson.

The following witnesses were called by Mr. Innes and examined on oath: William McKenzie, Meldrum Alfred Elliott, Arthur Edward Pearce, John Moore Johnston, Edmond Goodbehere.

As it had been suggested by some of the witnesses that a more appropriate deviation would be one from Mangaweka to Feilding or some more southern point on the Main Trunk line or on the Napier–Palmerston line, the Commission, at the conclusion of the evidence, proceeded by motor-car to Feilding, Kimbolton, and Apiti, returning to Palmerston via Pohangina and Ashhurst, for the purpose of inspecting the nature of this country.

TUESDAY, 30TH MAY, 1916.

The Commission met at the Supreme Court, Wellington, at 2 p.m.

The following witnesses were called by Mr. Myers and examined on oath: Gerald Fitzgerald, Robert Edwards, Francis William MacLean, and August Charles Koch.

The following witnesses were called by Mr. Weston and examined on oath: Edward John Harvey, William Edwin Fuller.

WEDNESDAY, 31ST MAY, 1916.

The Commission met at the Supreme Court, Wellington, at 10 a.m.

The following witnesses were called by Mr. Myers and examined on oath: Robert West Holmes, Herbert Buxton, Richard William McVilly.

THURSDAY, 1ST JUNE, 1916.

The Commission met at the Supreme Court, Wellington, at 10 a.m.

The following witnesses were called by Mr. Myers and examined on oath: Richard William McVilly (further examined), Ernest Haviland Hiley.

The following witness was called by Mr. Weston and examined on oath: John Massy Deck.

The following witness was recalled by Mr. Skerrett and examined on oath: Alfred Kingsley Drew.

FRIDAY, 2ND JUNE, 1916.

The Commission met at the Supreme Court, Wellington, at 10 a.m.

Mr. Skerrett made a statement to the Commission.

Mr. Myers addressed the Commission.

Mr. Weston addressed the Commission.

Mr. Skerrett addressed the Commission.

The Commission rose at 3.45 p.m.

MINUTES OF EVIDENCE.

WELLINGTON, THURSDAY, 18TH MAY, 1916.

Preliminary Meeting.

A PRELIMINARY meeting of the Commission was held in the Judge's Chambers, Wellington, on Thursday, the 18th May, at which counsel for the various parties concerned were present.

Mr. Skerrett: Will your Honour permit us to bring before the Commission one or two matters we desire to mention? One relates to the procedure of the Commission, and the other to certain matters connected with the evidence to be brought before the Commission. May I first indicate that I think in the view of counsel concerned there will be three main questions which the Commission will have to consider. The first, of course, is the Foxton dispute with the Railway Department, with which I am not concerned. Mr. Weston and Mr. Luckie appear for the Foxton Harbour Board, and Mr. Myers represents the Railway Department. The other matter is a matter in which I am concerned, and that is divided into two separate and independent branches. One relates to the right of those local authorities who control the tramway or light railway from Himatangi running past Sandon to junction with the railway-line somewhere in the vicinity of Marton. That is to a large extent a somewhat local matter. The third matter is a matter which is not referred to in the Commission, but is a matter which, by arrangement with the Government, the Commissioners are entitled to proceed with, and the Government have promised to extend the scope of the Commission if required. That really is an alternative to the second matter —namely, consideration by the Commission of certain evidence relating to the advisability of diverting the present Main Trunk line from Marton along practically the line of the light railway. Now, sir, I understand, at an interview before your Honour at which Mr. Macassey and Mr. Luckie were present, counsel for the Railway Department promised to supply us with all statistical information which they proposed to put before the Commission. That would be a great convenience, but that so far has not been done.

Mr. Myers: We have given some.

Mr. Skerrett: You have practically given nothing.

Mr. Luckie: One statement of mileages.

Mr. Skerrett: That could have been extracted by ourselves. I apprehend the officer in charge of the Railway Department will understand that it would be of great convenience if it could be given.

The Chairman: I think that should be done, otherwise it would delay the inquiry.

Mr. Skerrett: There is another matter of importance I wish to refer to, and that is this: in considering the advantages or disadvantages of the suggested deviation, the earning-capacity and operative cost of that section of the line which runs between Marton, Palmerston North, and Levin is of considerable importance. Now, I understand the Railway Department has not hitherto kept any account of the sectional operation.

The Chairman: You want to know the quantity of goods deposited between Palmerston, Marton, and Levin by the present route?

Mr. Skerrett: Yes, and the proportion of revenue and cost which the Department ascribe to the through carriage of the goods. Now, sir, do I understand from Mr. Myers whether the Department can afford any information to the Commission upon that point? It seems to me to be a matter of extreme regret that we did not have the information, or some attempt at an analysis of the cost.

The Chairman: There is the question of the goods from Levin and Palmerston to Napier. I suppose most of the trade goes to Napier in that way.

Mr. Williams: All of it now.

Mr. Myers: That is from here.

Mr. Skerrett: It seems to me that information of that kind ought to be given.

The Chairman: They might make an estimate of it by taking what goods, for example, were delivered at the various stations—Shannon, and so on. There are three or four stations receiving flax on the line between Levin and Palmerston.

Mr. Skerrett: May I point out that the problem involves this question: it may well be that the railway route from Marton to Levin through Foxton might be unchallenged, but the existing conditions are that there is an existing portion of the line running from Marton to Levin via Palmerston North. It appears to me it would be helpful to enable the Commissioners to form an opinion if some data could be given of the result of the sectional operation, Marton to Levin via Palmerston North.

The Chairman: I think we will need some estimate.

Mr. Skerrett: You must have at least some attempt to assign some proportion of the traffic to this section. It need not be mathematically correct. It also appears to me that the cost of construction of that section between Marton and Palmerston and the grades and curves ought to be before the Commission.

The Chairman: I think so.

Mr. Skerrett: I understand also that a flying survey has been made of the proposed deviation from Marton to Foxton and Levin. Full information as to that survey ought to be before the Commission, and the estimated cost of the construction of that deviation. That information we have not so far been supplied with, although we have requested it.

Mr. Myers: I would make this suggestion with regard to the statistical information: the Railway Department has no desire to keep back any information. It desires to place all the possible information it has or can obtain before the Commission, and probably the best course would be —if it meets with the concurrence of my learned friends and the Commission—that Mr. McVilly should be called at the outset to give any statistical information he has without being examined on any controversial matters, because that ought to come later.

Mr. Skerrett: I see no objection to that, but what I would like to know from Mr. McVilly is what he can do for us with regard to the information which I think is of importance dealing with sectional accounts.

The Chairman: I apprehend the land between the present line and the east coast is mainly used for pastoral purposes, grazing, &c., and it may be you will have to find out what is the possible or probable produce of the district.

Mr. Luckie: Evidence will be supplied as to that, and a large plan is being compiled showing the holdings.

Mr. Myers: The adoption of my suggestion would mean that at the outset Mr. McVilly would give any information he has available, and he would be questioned solely on statistical matters, and if it were found that any further information was necessary on statistical matters he could communicate with other Departments.

Mr. Skerrett: Could not Mr. McVilly give any information now as to what part would be useful to the Commission?

Mr. Myers: We will give it. We will give all the information we have in our possession, and all we have been able to obtain.

Mr. Skerrett: I say Mr. McVilly should tell us what information it is at all likely he can give.

The Chairman: It is likely we may draw up before we commence what we think is the necessary information should be given. I think we should have information of the goods carried on the railway, and they do their best to give us the information. They could give us the information of the goods received—flax is the main thing—and whether the cattle are trucked, and for how many miles they truck cattle.

Mr. Weston: On this question of statistical information a letter was written on behalf of the Foxton Harbour Board. [Letter handed in.] I should like some definite statement as to what attitude the Railway Department should take up. In reply to the letter a book was forwarded to me.

The Chairman: That information ought to be given.

Mr. Myers: If necessary Mr. McVilly may be called at the opening meeting of the Commission to give the statistical information. If that information is given it probably will suit you, but it will be understood that Mr. McVilly is not to be cross-examined on other matters. Your Honour will understand that considerable difficulty has been created by the fact that ever since the early days Railway accounts have not been kept of sectional parts at all, and it is extremely difficult to give some of the information asked for.

The Chairman: You must try and get the information, otherwise it will be very difficult to deal with the matter. We may have to make a shot at it, and that may not be satisfactory to any of the parties.

Mr. Skerrett: There seems to be a peculiar reticence about the matter. Mr. McVilly is here.

The Chairman: Are you trying to get the sectional information, Mr. McVilly?

Mr. McVilly: We are trying to get all the information we can for the use of the Commission, and that is one of the items which I will endeavour to produce information on.

Mr. Skerrett: You are endeavouring to work out the sectional information?

Mr. McVilly: Yes.

On the suggestion of counsel the Commission decided to sit in Foxton on Friday, Saturday, and Monday, the 19th, 20th, and 22nd May, and to commence the Palmerston North sitting on Tuesday, the 23rd May.

FOXTON, FRIDAY, 19TH MAY, 1916.

At the opening the Chairman read the Commission.

The branch of the inquiry relating to the purchase of the Foxton Wharf was opened.

Mr. M. Myers appeared for the Railway Department; Mr. Weston, with Mr. Luckie, appeared for the Foxton Harbour Board; Mr. Innes appeared for the Palmerston North and Feilding Borough Councils, the Palmerston North and Feilding Chambers of Commerce, and the Kairanga, Pohangina, Oroua, and Kiwitea County Councils.

[P.W.D. Plan No. 22965 put in by Mr. Weston.]

RICHARD WILLIAM MCVILLY sworn and examined. (No. 1.)

1. *The Chairman.*] What is your position?—Assistant General Manager of the New Zealand Railways.

2. How long have you been in the Railway Department?—Thirty-six years and a half.

3. Do you know at what date the first expenditure was made by the Railway Department at Foxton?—Prior to 1873, by the Public Works Department, which then controlled the building of the railways for the Government. Probably it was in 1872.

4. What expenditure was that—was it anything to do with the river or the embankment?—It was in connection with the Foxton Tramway, which included the wharf.

5. Where did that tramway run to?—It ran down to the river-bank and into Foxton through the main street. It started at Foxton and ran to Palmerston—part of the first section of the Foxton–Palmerston Tramway.

6. What was the expenditure on that first?—I cannot divide the expenditure as between the wharf and the tram, but I can state definitely that the wharf was completed in September, 1873. It was about 176 ft. long. The whole expenditure was incurred by the Public Works Department, and before the Foxton Tramway was merged or converted into what is now the present Foxton Railway the expenditure was £30,888.

7. That includes the tramway and anything done to the embankment?—Yes, that is the whole undertaking.

8. What do you call the wharf?—The breastworks on the bank of the river at which the vessels are now moored.

9. *Mr. Weston.*] Does that wharf stand now?—The original wharf is embodied in the present structure. I had probably better give the history. About 1874 the Government saw that the tramway would be unable to deal with the business, and they then decided to convert the tramway into what was to be the Foxton – New Plymouth Railway Section. A contract was let to a man named Andressan for a wharf extension of, I think, approximately 160 ft. It was finished by Andressan, and cost £852. That was in 1878, and the contract was finished in 1879. In 1881 the Government built what is now the present wharf, and the present Foxton Station was let by contract, and built by a man named Saunders. The cost of that was something over £15,000. It included rebuilding a length of the then existing wharf, and when completed it left a face of 500 ft. of wharf. That, of course, included the old original wharf and Andressan's and Saunders's contracts.

10. *The Chairman.*] I suppose you cannot separate the cost of the wharf from the station and other buildings?—No, I cannot. I have looked through the papers, and although the works are specified there is only a lump sum given. I have not been able to discover what was the actual cost of that contract, but it appeared from the papers as considerably over £15,000. There is no doubt whatever that the wharf was included in that £15,000, and that the whole of that expenditure has been charged to the Railway Department Capital Account.

11. Have you added any other charge to the Railway Capital Account but that £15,000?—Not to the Capital Account, no.

12. I mean the original tramway and previous expenditure on the wharves?—The cost of the original tramway and wharf is in the Capital Account, and Andressan's contract price of £852 is in the Capital Account plus the £15,000.

13. Those are the only items in the Capital Acount?—Yes, the three items. The first two are included in the £30,888.

14. What was the cost of the railway to Palmerston?—Over £80,000 was the estimated cost. The section of the line was known as the "Foxton–Waitara line," and as the sections were linked up the cost became merged into one big system, so that you cannot separate or tell at this time exactly what was the cost of the railway from here to Palmerston.

15. Can you tell the cost of the railway till it touches the main line—that is, to Longburn?—No, we cannot; but I can tell you that the Minister of Public Works of that day estimated that the cost would be £80,000. That was the railway from Foxton to Palmerston.

16. *Mr. Williams.*] Have you any knowledge as to whether it was carried out at the estimated cost?—I could hardly express an opinion upon that, but from our experience I should say it was not. I should say the estimated cost would be exceeded.

17. *The Chairman.*] How many miles is it?—It is twenty-four miles to Palmerston, and twenty miles to Longburn Junction.

18. Then, has there been any expenditure on the wharf separate from the railway since that?—Yes; there has been the upkeep and maintenance of the wharf. Altogether we have spent £4,127 on improvements: that is from 1896 to date, but I cannot tell prior to that. It is impossible to tell what the upkeep was. We cannot go further back, but there is no doubt that there was an expenditure every year on the wharf and on the upkeep of the wharf out of working-expenses from the time the Railway Department took the wharf over until the present date.

19. Then you cannot give us any other items of expenditure touching or concerning the wharf?—No, your Honour.

20. *Mr. Williams.*] Can you tell me the width of the wharf?—No, I cannot tell you at the present time.

21. *The Chairman.*] I suppose in the case of the wharves you include that large coal-bin?—No; that is a lease. The cost includes the breastwork only, the wharf proper, and the reclamation on which the railway-station stands.

22. What was the annual expenditure that made that £4,127 up in the twenty years?—I will have a copy typed out and supplied to the Commission.

23. The next point is in regard to income: do you keep a separate account of income from the wharf?—Yes.

24. What does it show?—The income I can give accurately from 1908. I can give you some figures from 1885, but I cannot guarantee their being accurate.

25. Give us the accurate figures first?—They are as follow: 1908, £2,113; 1909, £2,206; 1910, £2,820; 1911, £2,881; 1912, £2,865; 1913, £3,757; 1914, £3,359; 1915, £3,185; 1916, £3,612. [See Exhibit A.]

26. That only includes the wharfage that has been paid by others than the Government?—That is so.

27. The Government goods are not included?—No.

28. Do you have Government goods landed at the wharf?—Coal.

29. No other goods?—I think not.

30. What coal would you land in a year?—I could not say straight off. We very often arrange shipments, and sometimes we have to divert them to Wanganui.

31. What would be a fair estimate?—I will get the exact figures in connection with it.

32. I suppose there is a considerable tonnage?—No, I do not think so.

33. What do you charge other people per ton for wharfage?—It depends on the class of goods.

34. I mean for coal?—1s. per ton.

35. *Mr. Williams.*] You might at this stage give us the ordinary wharfage on other goods?—Other goods: merchandise, 2s. per ton, weight or measurement; flax and tow, per bale, 3d.; wool, 3d.; manures, 1d. per ton; grain and flour, 1s. 6d.; timber other than white-pine, 2d. per 100 ft.; white-pine, 1d.

36. *The Chairman.*] Now, are those goods that you charge those rates on carried by the railway?—Yes; I think you can say 95 per cent. of the goods are carried by railway to Palmerston and other places. There is a good deal carried to Himatangi and Sanson.

37. Is there any terminal charge made by the railway?—There is a terminal charge included in all our rates.

38. What is the value of the goods carried from the wharf by the railway?—I could not tell you.

39. Could you tell the rates earned—you have a return of the tonnage of goods carried?—Yes, I have the total revenue carried to and from Foxton. Of course, the whole of that is not credited to the Foxton Branch or the Foxton Station.

40. The wharfage rate will show. You could tell us how much comes from incoming goods and how much from outgoing goods?—Yes, I dare say I could give that.

41. Are the outgoing goods mainly carried by railway?—There is a large amount of exported goods carted into Foxton, and a considerable quantity comes down the river—tow and flax.

42. Do you charge anything for export stuff?—Wharfage. There is a wharfage rate on anything put on board ship.

43. You charge a wharfage rate even if it does not touch the wharf?—Yes; if the goods are put on board a ship lying alongside the wharf, then the rate is charged. It is the general practice. Everything pays. We get wharfage from Levin and Co. in accordance with the usual practice and by agreement.

44. Do you have expenditure on the wharf proper?—Yes, undoubtedly—upkeep and labour on the wharves. We do everything.

45. What do you charge for that—have you made it up?—Yes. Our expenditure in working the wharf was as follows: 1908, £897; 1909, £1,119; 1910, £1,404; 1911, £1,465; 1912, £1,531; 1913, £1,865; 1914; £1,897; 1915, £3,271; 1916, £1,989.

46. What is included in those charges—what do you do for it?—We handle all the goods; we do the sorting, shunting, and repairs.

47. Supposing you bring a cargo of any goods to Foxton and they take delivery from you at the trucks by carts, that is all included in the terminal charge?—That is in the terminal charge; there is nothing in the wharfage for that.

48. Do you mean that the men who look after the discharge of the goods from your trucks are the same men who look after the same goods being charged at the wharf?—Part of the time, but there is sometimes extra labour engaged for the wharf and goods-shed.

49. How do you separate that?—We take the time of the men engaged on the wharf and the men engaged in the goods-sheds.

50. I thought your terminal charge included the cost of discharging?—Yes.

51. If the terminal cost includes that, what is this extra charge for? You do not hoist it on board the ship, do you?—We put men in the trucks to take delivery from ships' slings, and shunt the goods into the shed, unload, sort, and tally the goods.

52. But if you put the goods into the slings, supposing a carter came alongside the truck, do you have any man helping the carter to take the goods out of the truck?—As a rule. If the goods are what we call "outside goods"—that is, coal, timber, and that kind of thing—we do not handle unless the consignee is prepared to pay. If he is prepared to pay, the charge he has to pay is 1s. per ton for the coal if he wants assistance, and 4d. per 100 ft. for timber.

53. Supposing it is ordinary goods?—If merchandise, then we do not make a charge for it unless special services are performed, because theoretically that is supposed to go through the goods-sheds, and as a rule it does.

54. Supposing I was living in Foxton and, as a storekeeper, I asked you to take a truck of goods from Wellington to Foxton, you would deliver it to me on the terminal charge without any through charge—is that not so?—If you were a storekeeper, yes, that is so—a certain class of goods.

55. Say, timber and coal?—Timber, coal, flax, and wool we call "outside goods," and charge extra for at tariff rates.

56. Supposing goods came by train to be put on board ship—not coal, timber, or flax, but ordinary merchandise—would you charge the ordinary wharfage rate?—We charge the ordinary wharfage rate, but not labour. The special labour you have to engage for taking goods from the boat, taking it into the goods-shed, reloading, handling, and sorting out, is extra. Say a ship comes here and dumps 250 or 300 tons of goods, theoretically you are only supposed to handle that once, but practically you handle it twice and sometimes three times.

57. And if the consignees will not do that you have to do it for them?—We have to do it in every case.

58. And that is how you make up the charge?—That is why we have to make the charge.

59. I notice the charge you made for labour one year was about equivalent to the full charge you got from the wharfage?—That is not all labour.

60. What is it?—£1,500 of that is maintenance—improvements to the wharf. The maintenance that year cost us £1,792. The maintenance was replanking and repairing the wharf at the end of 1914 or beginning of 1915. The wharf was wholly replanked.

61. Supposing you had no maintenance of the wharf to pay, the wharfage charge for labour would be about half the wharfage charge?—A little more than half last year.

62. Then if it goes beyond that it means you have got less to maintain the wharf by repairs?—And help to pay interest on the capital cost of the railway.

63. But is the interest included?—No, it is not included in the expenditure figures.

64. All that is included are the two charges, one for maintenance and the other for labour for dealing with the goods?—Yes, the operating expenses.

65. *Mr. Hannay.*] The word "maintenance" really covers all expenditure of that kind?—Yes.

66. *Mr. Weston.*] With the exception of Andressan's contract for the 200 ft., you cannot give us the exact cost of the wharf?—No, I have already stated that.

67. And that 200 ft. worked out at £4 10s. per foot?—Yes, about that.

68. Do you think the cost of the first contract in 1873 for the wharf would be higher than Andressan's?—I could not give information on that; I do not know anything about the original cost. As a matter of fact, judging by the wharf, it would probably be higher.

69. In the big contract for the station you spoke of that £15,000 contract of Saunders, and you spoke of that as for the station and including portion of the wharf?—Either 200 ft. or 300 ft. Saunders's contract was to be made up to 500 ft. At the finish of Saunders's contract the length of the wharf was 500 ft. There was a portion of the old tramway wharf in that 500 ft., but I could not say how much. The plans show that a considerable portion of the old wharf was dismantled and had to be rebuilt.

70. With regard to that contract of Saunders's, what did it include?—It included the reclamation of land, station-yard, buildings, and wharf.

71. That was the whole of the station-yard on this side of the road where the white fence is at the back?—I am not prepared to say with referring to the plan.

72. Will you contradict Mr. Hennessey if he says it included the whole of that?—Yes; I will put in the departmental plan, but I have not got it with me at the moment.

73. Originally I think the Foxton Railway-station was where the post-office is now in the main street?—I believe that was so.

74. It includes the deviation of where the railway was brought in instead of going down the main Palmerston–Foxton Road. It deviated at the back of the racecourse, and you had to make a big deviation to go into the present railway-yard?—Saunders's contract did not include that.

75. With regard to Levin's wharf, the shed is erected half over the river and half on land which consisted of part of your reclamation?—The shed, as far as our plan is concerned, is standing on railway land.

76. Will you contend that your railway land goes into the river?—To the high-water mark.

77. There is a stone wall there—is that the boundary of the land?—I cannot tell you without looking at the plan.

78. What do Levin and Co. pay you?—They pay wharfage.

79. They pay rent for the land?—Yes.

80. How much?—I could not tell you at the moment.

81. I understand it is £40 per annum?—I could not say.

82. Will you produce the information later?—Yes.

83. It was made a condition that although they were to erect the wharf and sheds they were to pay you wharfage?—That is a condition of the agreement. Levin and Co. pay us certain charges which are included in their agreement with the Department.

84. Are they in the same position as if they were only using your railway wharf?—The charges are fixed on the same basis.

85. What do you mean by "the same basis": for instance, do they pay 3d. a ton?—I presume they do. They pay the gazetted rates.

86. On general cargo do they pay 2s.?—If they have general cargo in they would have to pay the ordinary rate, 2s.

87. Although the wharf has not cost you anything yet they pay you the same wharfage as if it was not a railway wharf?—They do not pay us anything for the use of the wharf, but pay for the railway land, and any one using railway land which abuts on a river or harbour serving ships has to pay wharfage rates.

88. The foreshore is not vested in you?—The railway land that Levin and Co. lease from us is vested in us, and in respect to that land Levin and Co. have to pay us a certain sum as rent and charges on goods shipped.

89. Supposing goods were brought down by punt and put into a boat at Levin's wharf, they would pay wharfage?—I am not sure that they do: they should under their lease.

90. Can you let us have in tabular form the rates of freight from Foxton to Palmerston North and from Wellington to Palmerston of the main classes of goods—for instance, coal?—If you will specify the class of goods you would like the information in respect to I will be pleased to give it.

91. Take A, B, C?—I would be very pleased to give you the rates for A, B, C—that is, without specifying the class of goods.

92. *Mr. Williams.*] They are all at classified rates—no special rates?—No, there are no special rates. We abolished special rates when we bought the Manawatu Railway.

93. *Mr. Weston.*] Prior to 1906 you have not got the revenue and expenditure in connection with the Foxton Wharf?—I have not got the expenditure accurately. What I said was that the figures I have are approximate prior to 1908.

94. Can you tell me roughly whether from 1880 to 1900 there was an annual profit on the working of this wharf?—No, I cannot, because I have not got the expenditure.

95. In regard to the sectional return for the Palmerston–Foxton line, have you any idea how the traffic compares with the return for the whole—can you say if it would give a better return than 4·7 that you credit to the New Plymouth – Wellington Section?—As you cannot separate the capital cost of the Palmerston–Foxton Railway from the total cost of the Foxton–Waitara Railway, it is impossible for me at this juncture to say what the result is.

96. You told us it cost £80,000?—No, I did not. I told you the cost estimated at that time, which is a totally different thing. It may have cost £150,000.

97. Taking it at £150,000, would you say the return from the Foxton – Palmerston North Section would give 6 per cent.?—At the present time I say it would return you a loss. I can tell the Commission this, that when the question of handing over the Foxton Wharf to the original Harbour Board in 1877 was brought up the matter was gone into, and it was definitely pointed out to the Government by Mr. J. P. Maxwell that the net revenue from the wharf represented half the net revenue from the railway—that the railway would be £600 a year to the bad. It was not paying at that time, and it would have had a detrimental effect to the extent of £600 a year at that time.

98. But that the revenue from the wharf made that up?—The net revenue from the wharf was then £600 a year.

99. *Mr. Myers.*] Is it correct to say that ever since the Foxton Wharf was first built it has been operated as an integral part of the railway system?—Yes, that is absolutely correct.

100. Can you give some idea to the Commission of the proportion that the net revenue of the Foxton Wharf bears to the net revenue of your railway, including the wharf, from Foxton to Palmerston?—It is approximately 40 per cent. of the net revenue.

101. I said, as between Foxton and Palmerston. Is that correct, or is it as between Foxton and Longburn?—Foxton and Palmerston, after eliminating working-expenses.

102. That is without taking into consideration the interest on capital expended?—Yes.

103. *The Chairman.*] That means that the line from here to Palmerston earns 60 per cent. and the wharf earns 40 per cent.?—Yes, that is the net revenue. Of course, I am speaking from memory.

104. *Mr. Myers.*] You say that special rates in Foxton have been abolished?—Yes, since the Government purchased the Manawatu Railway line.

105. You have already said that you cannot give the accurate figures prior to 1908, but can you tell the Commission whether since 1908 the aggregate wharfages have increased or decreased?—The wharfages have increased by £1,500 per annum since 1908, although prior to that, while we were competing with the Manawatu line, we made special rates for certain traffic to Foxton.

106. So that while you were competing with the Manawatu Railway and making specially reduced rates, the wharfages were considerably less than they have been since?—That is so.

107. *The Chairman.*] How do you manage the Patea Railway Wharf: is it similar to this?—It is run the same way as Foxton.

108. And the same rates?—No, the rates are different. The wharfage rates are fixed by the Harbour Board.

109. Who gets the wharfage rates?—The Harbour Board.

110. Do they pay you for doing the work?—Anything we do, such as handling, hauling, &c., we charge for to the Harbour Board or to the owner of the goods under our tariff rates. It is 1s. 6d. per ton hauling and handling, and 9d. per ton to Harbour Board, for local goods.

111. Who constructed the wharf there?—I believe it was built by the Provincial Government—I am not quite sure.

112. Then, as to the Wellington Railway Wharf, that was built in 1878?—Yes.

113. That really now belongs to the Wellington Harbour Board?—Yes.

114. You do not charge any wharfage on that?—No.

115. Did you get any money for the wharf?—When we have taken reclaimed land which has been previously the Harbour Board's we have to pay in the amount they have spent on reclaiming. I think that wharf was given in part-payment of that. I will look that up, as I am not quite sure.

116. What about the Onehunga Wharf?—The Onehunga Wharf was for many years run by the Railway Department at a loss, and after completion of the Main Trunk line we were very glad to get rid of it. The Harbour Board desired to take it over on terms, and we had no objection. We got some offer, but I could not tell you what. I will look that up.

117. And in regard to Nelson, I understand you offered to sell the wharf to the Nelson Harbour Board?—No, we did not want to sell: they wanted to buy. It was the same offer as the Foxton Harbour Board had got from the Government. The offer was to sell the wharf on the net earnings capitalized at 3½ per cent.

118. Then you did not offer to sell on any question as to cost: if there was any goodwill it was to be included?—Yes, as a going business concern. It is not a question of cost at all.

119. Supposing there was no wharf at Foxton at all, have you had any valuation as to what it would cost to erect at the present time?—No, we have not. We simply made the offer. We did not want to sell.

120. You wish to treat it simply as a going concern and to be sold as that without dealing with the question of the cost at all?—That is right.

121. *Mr. Williams.*] Could you get an estimate of the wharf as a structure?—I dare say I could get our Engineer to estimate the cost.

Statement by Mr. T. S. WESTON, representing the Foxton Harbour Board. (No. 2.)

Mr. Weston: I desire, sir, to state the short history of the case, which is as follows: In 1876 the old Foxton Harbour Board was constituted, and its revenue then consisted, in addition to some reserves vested in it as set out in the schedule, in the power to collect wharfages. Apparently, then, although they had the power to collect wharfages, and although the foreshore of the river was vested in them, the Railway Department, between 1876 and 1886, when the Foxton Harbour Board was dissolved, always collected the wharfages on practically the only wharf there, so that the revenue of the old Foxton Harbour Board consisted only of port charges, pilotage rates, and what other little money they could collect from reserves. That apparently was the reason why in 1886 the Board dissolved. They found they were without funds and unable to do anything, and they objected to continue a purposeless existence. In 1908 the Foxton Harbour Board was reconstructed, and under the Act the whole of the foreshore of the river was vested in them, while in addition to that they were given two reserves. One of those reserves consists of some sandhills at the Heads, from which they derive revenue as a site for seaside cottage residences. The area consists of about 300 acres. They also have 400 acres a little way up the road let at £60 a year, so that with the exception of those reserves they are dependent for their income on pilotage rates and port charges. They cannot make the port charges heavy because it would render the cost of sea traffic prohibitive. After the Act was passed the Railway took the foreshore, including, I understand, that of Levin and Co. The questions for the Commission are, first, whether it is desirable that they should be entitled to control and manage this wharf, and, second, if so, on what terms they should be allowed to acquire it. Now, as to the first point, it seems to me it is settled by our Legislature already. Under our Harbours Act practically every harbour is managed by those people who have settled in its neighbourhood, and who, owing to the situation of their property and holdings to the harbour, are in a position to enjoy the natural advantages that come from residing near that harbour. Under the Harbours Act it is only when the population of a district is not large enough to run a Harbour Board that the Governor in Council either appoints members of a Harbour Board or the Government manages it themselves; and there is this one point made quite clear in the Harbours Act, that all revenue derived from a harbour had to go into the improvement of that harbour, so that whether a harbour is managed by the Governor in Council or by a Board the whole of the revenue derived from that harbour goes back into the improvement of it. It is quite clear also, and the Legislature has decided, that the Foxton people are entitled to manage their own harbour, because by the Act of 1908 they reconstituted the Board. The sole question really in this case is boiled down to this: the only objection to the Board having control of the wharves and harbour is that of the Railway Department, and their only objection is that of price. What the Railway Department says is this: Here are wharves which, on the evidence to-day, cannot have cost the Public Works Department more than £3,000. We have it in evidence that 250 ft. were erected by Andressan for £850, and prior to that 176 ft. erected by another contractor the cost of which is not stated, and then the big contract of Saunders. Now, the wharf consists of a length of about 500 ft. Levin's wharf cost them nothing—that was erected by the West Coast Trading Association; but the wharf erected by the Public Works Department on the basis of Andressan's contract could not have cost more than £3,000, if it cost that. Totara could have been had then practically for the cost of hewing, and the wharf was built of totara. Therefore, £3,000 is not a low sum to state. For that £3,000 the Railway Department, through the Minister of Railways in his letter, are asking the sum of £28,700. I propose to read to the Commission a letter in which that is set out, and the reason for it. The letter states,—

"SIR,— "Head Office, Wellington, 20th May, 1913.

"With reference to your inquiry respecting the Foxton Wharf, I have the honour to inform you that on the 3rd March last the Secretary of the Foxton Harbour Board was advised that the value of the wharf as a going concern was, in round figures, £28,700, at which price the Board was given the option of purchase up to 31st March, 1913. The valuation was arrived at by capitalizing the revenue at 3½ per cent., after allowing 65 per cent. for working-expenses. The average cost of working the wharf for a period of four years was, however, only 48¾ per cent., so that the price quoted, which was fixed on the basis stated above, was most advantageous to the Board. On the basis of the working-expenses for a period of four years the price would have amounted to, approximately, £36,000. The following are particulars of the revenue and expenditure at Foxton Wharf for the past years."

Then they set out the revenue for the years 1909 to 1913. The letter then continues,—

"It will thus be apparent to you that the business at the port is steadily increasing, the net revenue for the year ended 31st March, 1913, having increased by approximately £500 as compared with 1911, and after allowing 65 per cent. for working-expenses the price of the wharf on last year's revenue would be, in round figures, £37,600. As a matter of fact, however, the working-expenses for that year only amounted to, approximately, 49⅝ per cent. of the revenue, and after allowing for this and capitalizing the revenue at 3½ per cent. the value of the wharf to the Department is, approximately, £54,000. If the Board, therefore, desires to purchase the wharf, the price should be fixed on the basis of last year's figures, which, after allowing 49⅝ per cent. for working-expenses, show the wharf to be worth £54,000: even allowing 65 per cent. for working-expenses the value of the wharf would be £37,600, approximately. It has, however, been decided to grant the Board the option of purchasing the wharf at the price quoted in the letter to the Secretary on the 3rd March last—viz., £28,700—and this offer will hold good until 31st August, 1913."

That was written by the Minister of Railways, and it shows the basis on which the Railway Department are asking £28,700 for a wharf which has cost them £3,000. What hollow mockery it is to ask the Board of a small harbour to give £28,700 for a wharf which cost originally £3,000, and which, on the figures given to-day, has paid for itself over and over again to the Department! If the Board were to purchase at that figure they would be paying about £23,000 for the privilege of managing all the wharves here, because we could build a wharf similar to that for about £5,000. What right have they to ask £28,700? You have only to state the proposition: to ask £28,700 for something which cost them £3,000. Must there not be a flaw somewhere? Must there not be something wrong? If that were put in a prospectus would not a shrewd business man say "Where is the flaw?"

The Chairman: The flaw they ask you to pay for is the monopoly.

Mr. Weston: I submit it is contrary to the spirit of the Railways Act. The Railways Act gave the Governor in Council power to charge wharfages. The wharfages are not the fees paid in for the use and advantage of a natural harbour—those are covered by port charges; but wharfages are fees which are supposed to cover the value of services rendered by the erection in a natural harbour of certain artificial constructions, so that when the Railway authorities are given power to impose wharfages those wharfages ought to be based on the value of the services rendered. We have got to remember that the wharves are only an incidental adjunct to the New Zealand Government Railways. The main business of the New Zealand Government Railways are railways, and they only erect a wharf in New Zealand where it has been found necessary to do so in connection with their business. It is not part of their business nor the principal object of their business, and I submit that when they are given power to impose wharfages, although they have an absolute discretion as to the charge, that discretion ought to be exercised on the principle that a Government entrusting any discretion to a Government official should see that that discretion is administered with equity and justice. Now, what is the justice? When you provide an artificial structure in a natural harbour, what is the justice of doing what the Railway Department admit they have done in this case? We have had it said by Mr. McVilly that as far back as Mr. Maxwell's time the Foxton–Palmerston Railway was only saved from a loss because they imposed wharfage charges on the Foxton Wharf which gave them a net revenue of £600 to make up the loss on the line. That is not fair. The people using the wharf are a different class of people to those using the railway. If you are going to draw from the people using the wharf an excessive amount above the actual cost of rendering the services for which they are paying, you are practically penalizing the people who are unfortunate enough to live next to a railway wharf in order to give to the people using the railways of New Zealand as a whole a subsidy. One cannot put it plainer than that. Is that just? If so, although it may be in accordance with the discretion given to the Railway officials to impose what wharfages they like, then they have not administered that discretion with fairness and equity, and consequently they are breaking the spirit of the Act if they are not breaking the law. Moreover, they are doing what a local Harbour Board could not do.

The Chairman: What they are doing is perfectly plain. They are putting on what is equivalent to a terminal charge on the Foxton line for the loss which would otherwise be entailed on the Government by running to the Foxton–Palmerston line.

Mr. Weston: What I submit is this: the Railway people are imposing wharfages which admittedly are close on 50 per cent. more than the cost to them of the wharf. The wharfage they are charging is for the use of an artificial structure in a natural harbour. The principle with regard to Harbour Boards as laid down in the Harbours Act is that all wharfages and all revenue from the harbour have to go back into that harbour; so that because they have erected an artificial structure in a natural harbour, and because owing to the circumstances of the case they cannot have any opposition (it would be idle for us to erect another wharf here—the Railway authorities would not give us a railway-siding if we did), they are really exercising the powers given them in a way that if they were a Harbour Board they would have no right to do. Take the case in Wellington: supposing for one moment that all the wharves were in the hands of the Railway people, and they were levying wharfages under the power given them under the Government Railways Act, would they be allowed for one instant to derive a proportionate profit in the same way as they are deriving it from the Foxton Harbour Board? In the case of Wellington all the profits from wharfages go back into the harbour. They are bound to. No Harbour Board can expend a penny outside those purposes; but here is the Railway Department taking this sum from this wharf every year and putting it towards the maintenance of the railways as a whole. I submit that surely the principle which applies to harbours which are managed by local authorities should apply to a wharf which is managed by the Government Railway Department. Why should a man who is unfortunate enough to have an area of land close to a railway wharf be penalized? Is it fair?

The Chairman: Of course, there is the other way of putting it. Why should the whole colony make a railway to a district that cannot support a railway?

Mr. Weston: That is so.

The Chairman: They say this is a branch railway which does not pay except we get wharfage.

Mr. Weston: We say they will not give us the sectional returns. But apart from that, we did not choose that they should start the railway here at Foxton. It was the original idea—it was the starting-point. They picked on Foxton as being the best place to start from. Why should the people who live in Foxton now have to contribute £1,500 as a subsidy to the Government railways? It makes the class of people in Foxton different to the people using the railways. It is equivalent to a differential rate.

The Chairman: I do not know that we can go into that. They are carrying the burdens of the earlier people just as posterity will have to carry our burdens.

Mr. Weston: It seems to me it would be a curious thing if this applied right throughout the colony. The Railway people have two things: they have the railways and they have the wharves.

The Chairman: You say this: that the Railway people are making a profit out of the Foxton Harbour, and that it is not fair for them to do so and charge upon the Foxton people this wharfage when they are doing nothing for it, but simply applying the profits to the railways instead of improving the harbour.

Mr. Weston: That is my whole point, yes. Then, with regard to the difficulty about dual control, we are going to call evidence as to the capacity for improving the harbour. What we say is that we want these wharves in our own hands so that this wharfage will, as in the case of a harbour controlled by any other local authority, go towards improving the harbour.

The Chairman: I suppose your strongest point is that if the harbour is not improved it will be unable to be kept at a sufficient depth, and they will not get any profit at all?

Mr. Weston: That is so. I understand the Railway Department say with regard to dual control that there would be a difficulty, and that if we took over the control and management of the wharf there would have to be a double tally. That is avoided in Patea and Wanganui, and also in the case of the Railway Wharf at Wellington. There the wharfages are collected by the Railway Department and a small amount charged for collecting. That could be done here and trouble would not arise. It may be said to us that we ought never to have lost control of the harbour. Well, it is true we lost it in 1876, but we had no wharfages then, and it is hard that people who may have been young then and with no power in those days should be deprived of that control now. Then, with regard to improvements, if this £1,500 per annum is to go steadily into the hands of the Railway people we cannot hope to improve the harbour. Give us the wharves and we can start.

The Chairman: You say that if you do improve it you are giving them greater revenue?

Mr. Weston: Yes, a much greater revenue.

Mr. Myers: Why not make a rating district if they want to make a harbour?

Mr. Weston: How can you trust a Department that is acting as the Department is acting now? If we went and spent £50,000 we might have a Napoleonic Railway Manager coming to us and saying that the wharfages hereafter shall be 4s., and he might get a Commission to support it.

The Chairman: That will only take place if the modern Napoleon wins the war.

Mr. Weston: We might get a Government Department to put it on; and, remember, the Foxton community is a shrewd community. If you went to the Foxton ratepayers and said, "I want you to put your hands into your pockets to improve that river and the wharves which are now worth to the Railway Department the sum of £54,000," when they originally cost £3,000, do you think you would get it? Moreover, sir, even supposing we did and started to improve the harbour we could never get the wharf. This harbour will never stand two wharves, and there must be only one master. Mr. Millar told us distinctly in the House that if we built a wharf we would get no facilities with regard to sidings, so that unless we get control of this wharf where are we to be? Then there is this further point that appears quite clear from the Department's figures: that if you allow 3½ per cent.—which apparently is the rate of interest that the Government Departments charge themselves—if you debit the original cost of construction, say, £3,000, with that 3½ per cent., you will find that the net profits since 1908 have more than repaid the original cost to the Department, so that as far as capital is concerned these wharves cost the Department nothing. I will now call Mr. Howarth.

CHARLES HENRY HOWARTH sworn and examined. (No. 3.)

1. *Mr. Weston.*] You are Engineer to the Wanganui Harbour Board?—Yes.

2. How long have you been Engineer to the Board?—Eight years.

3. Have you made a special study of harbours such as the Manawatu River harbour and the Wanganui River harbour?—Yes.

4. Have you had an opportunity of inspecting similar harbours in Europe and England?—Yes. There are no two river harbours alike.

5. What harbour-works have you inspected?—I visited many harbours on my trip, such as the Tyne, Clyde, and others.

6. Have you visited any Dutch and Belgian harbours?—Yes, the Zeebrugge and Ostend.

7. Taking the Wanganui and Manawatu river harbours, how do they compare?—Apparently they are very similar. In connection with the Wanganui Harbour we have all the engineering data, but there does not appear to be any connected with this river. They appear to be very similar from a superficial survey. The Harbourmaster tells me that the seas are much lighter than at Wanganui.

8. You have inspected the river here and made a report?—Yes. [Copy report put in—Exhibit B.]

9. You also inspected the wharf, did you not?—Yes, and made a valuation of it. My valuation of the wharf is £3,300.

10. Do you in your report advocate the use of a suction dredge?—Yes.

11. With regard to the channel between here and the Heads, is there much difficulty about improving that?—No, very little difficulty.

12. Are there many shoals that would require dredging?—Three shoals. About 60 chains of the seven miles would require dredging.

13. With regard to the other portions of the river, what depth did you get?—It varies from 14 ft. to 27 ft.

14. You took soundings with the Harbourmaster?—Only for the shoals. When we got beyond a certain depth we did not bother about the deep water.

15. With regard to the bar itself, do you think an improvement can be made there by the use of a suction dredge without retaining-walls?—Yes.

16. *The Chairman.*] Where would you put the spoil?—It would be dumped at sea.

17. *Mr. Weston.*] What would you do with the spoil from dredging the shoals inside?—It would be put ashore through a shore delivery-pipe.

18. With regard to the bar channel you say in your report, "The bar channel is a different matter, for, owing to the want of training-walls, it is entirely governed by the weather, and no doubt periodical dredging will be required; but experience proves that a good channel once dredged remains good for a considerable period"?—Yes.

19. If you were able to stand the expense of setting up training-walls there that would minimize the amount of dredging required once the channel had been made?—That is so. No doubt in years to come they will have training-walls here.

20. It would mean you would have to do more dredging at shorter intervals?—Yes.

21. I think the dredge you suggest is somewhat larger than the Thomas King dredge used at New Plymouth?—Yes.

22. Has that dredge been a success?—It has been a wonderful success.

23. *Mr. Myers.*] When did you make your valuation of the wharf?—About two months ago.

24. Did you take into consideration that all the planking is new?—Yes. I will give you the basis of my report. I based it on this: that a new wharf could be built for £5,000—a better wharf than the present, and fit to carry railway-engines. We are doing similar work at Wanganui. Allowing for old timber and for the new timber which I looked upon as good—the full value—I deducted 30 per cent. off the value of a new wharf, and that is how I got at it.

25. Your valuation is simply a valuation of the mere structure as it stands at present?—Yes.

26. And, of course, does not in the least take in outside considerations?—No.

27. You say that this river is very similar to the Wanganui?—Yes.

28. At the bar in Wanganui have you any walls?—Yes; they go out to within 500 ft. of the bar.

29. And I suppose they were very costly to construct?—No, they were not; they were very cheap. We were very fortunate in having good material close at hand.

30. Can you give us any idea of the cost?—It averaged £10 per foot for 4,500 ft.

31. Were those walls considered necessary in Wanganui?—Yes.

32. If the conditions, then, are similar in the two rivers, why do you say walls will not be necessary in the Manawatu River?—Not necessary in the meantime, because they only want 2 ft. or 3 ft. more water here. We are after 30 ft. or more water.

33. May we take it they will be necessary if they want to bring bigger vessels up the river?—Yes, over a certain size.

34. Can you say what vessels, in your opinion, could be brought up the river with walls?—Vessels similar to those trading to the Wanganui Wharf, of about 9 ft. to 11 ft. draught. They would be up to 800 tons.

35. Those are the biggest vessels you can take up to the Wanganui Wharf?—Yes, four miles up the river. We are seven miles up the river here.

36. So that you have had to spend all this money in Wanganui for the purpose of obtaining a depth of water of 23 ft. at the bar?—That is for a deep-water harbour at Castlecliff—not the town.

37. You say in your report that you made a previous report on the 18th April, 1911. Is that available now?—Yes. It is on a smaller scale to what I propose now.

38. I suppose we may take it that some one instructed you this year to make the report?—Yes, the Chairman of the Harbour Board.

39. You say in your report of the 18th April, 1911 [Exhibit C] that sufficient funds are now likely to be available. What were you told?—I was told by the Chairman that it was likely they would get the revenue from the wharf.

40. Were you told about what amount would be available?—I understood that they would be able to spend about £1,200 or £1,400 on harbour improvements. It was just a slight indication.

41. First of all you say they have to buy a dredge?—Yes. I estimate that at £8,500.

42. According to your report the annual cost works out at £1,041 for a twelve-hours shift?—Yes.

43. Then you say, "The estimated annual working-expenses, including wages, coal, oil, and repairs, for this dredge is £1,200, or slightly over 2d. per cubic yard." That refers to the New Plymouth dredge?—Yes. The Foxton dredge would cost £1,200 on an eight-hours shift.

44. That £1,200 does not take into consideration interest on capital expenditure or depreciation?—No.

45. Do you find that any expense has to be incurred in maintaining the channel at Wanganui?—Yes, there is a very slight expense after you once get the depth. It is not even now affected by floods except to a very slight extent. It is the initial expense of getting it done. I could not say what it is likely to be here. I do not know enough about the Manawatu to say whether there would be a great expense in maintaining the channel, but I do not think there would be. There is less silt in the Manawatu.

46. You have not made any observations which can enable you to give a definite opinion as to the bottom?—I have given a pretty definite opinion as to the amount of dredging required to give that depth.

47. There is always a certain amount of silting-up at the bar?—Yes, after every fresh.

48. The dredge has to be kept constantly at work down there?—Periodically.

49. *Mr. Weston.*] With regard to the estimate of the cost of a dredge, £8,500, that was a wooden hulk?—Yes. On account of the war I could not get a quotation for anything else.

50. That was the actual quotation for the dredge?—Yes.

51. With regard to the £1,200 as the cost of working-expenses, if you once cut the channel down and got the channel opened up across the bar, would you have the same amount of dredging to do to keep it open?—No, I do not think so.

52. So that there would be less than £1,200 a year to spend once you had done the work thoroughly?—Yes, less coal; but you could not discharge the crew. If the Harbour Board could keep the men going they would be available for the dredge when required.

53. How does this river here in its natural state compare with the Wanganui River in its natural state?—It compares rather better. It is within fixed banks.

SAMUEL JICKELL sworn and examined. (No. 4.)

1. *Mr. Weston.*] You are Engineer to the Palmerston North Borough?—Yes.

2. You have made an inspection of the wharf here with a view to arriving at an estimate of its present value?—Yes.

3. And you find it is worth £3,700?—Yes. [See Exhibit D.]

4. You are not a harbour engineer?—No. I have had nothing to do with this harbour; I have not inspected it in any way.

Mr. Myers: No questions.

PHILIP JOSEPH HENNESSY sworn and examined. (No. 5.)

1. *Mr. Weston.*] You are a settler residing in Foxton?—Yes. I have resided here since the 15th October, 1878.

2. Do you remember Mr. Saunders's contract?—Yes.

3. What did that cover?—It covered the taking-up of the railway-line coming down the main street, and shifting the line from the racecourse gate around through the sand-cutting.

4. At that time the Government filled in a good deal of the foreshore in order to make their railway on it?—The high-water mark at that time was at the bend where the station stands now. That was filled in from a cutting, and the balance of the stuff was brought from a big cutting at Duncan's hill.

5. *Mr. Williams.*] What distance was it extended out into the river?—I should think it would be between 2 and 3 chains. At that time the river had more spread. At the time I speak of there was no reclamation—it was a kind of bridgework from the shore out to deep-water mark.

6. With regard to the wharf originally constructed, were you here when that was constructed?—No, the original wharf was there when I came here. The portion of Saunders's contract is the only part that has been added to it since I came here.

7. What was the original wharf built of?—Totara.

8. We have had it from the Railway Department that 160 ft. built by Andressan cost £152: do you think that would be about the sum?—At the time of Saunders's contract you could get O.B. totara at 7s. 6d. per hundred feet delivered, and heart totara would run perhaps 2s. or 3s. per hundred more.

9. What would you suppose the whole of the 500 ft. of wharf would cost the Railway Department, looking at the cost of timber in those days and Andressan's contract?—I would calculate it at £6 per foot.

10. Do you think £3,000 ought to cover the whole?—Yes.

11. *The Chairman.*] That is assuming you did not have to reclaim to put the wharf down?—Yes. The reclamation was put there for the convenience of the station and yards.

12. *Mr. Weston.*] They would have to have all the buildings there whether the wharf was there or not?—Yes; they had no other place to put them.

13. *Mr. Williams.*] Supposing they had decided not to bring the railway to the wharf at all, could they not have found a place without reclaiming?—They could have gone up to the racecourse.

14. And then the people who owned the wharf would have had the trouble of carting their goods to the railway?—Yes, that is so.

15. Was not the reclamation in the interests of the wharf in that case? The reclamation was made at that time in the interests of the Railway Department, because this was supposed to be the junction of the Wellington–Wanganui Railway line. There was no talk at that time of the Wellington–Manawatu Railway line.

16. *Mr. Hannay.*] Your estimate does not include the rails?—No.

17. *Mr. Weston.*] As far as the reclamation is concerned, supposing the wharf had simply to be erected there, would it have been necessary to have made that reclamation?—No, a simple bridge would have done.

18. So that the completeness of that reclamation was in order to provide the railway and yard?—Yes.

19. You gave evidence, I think, before a Committee of the House in 1910?—Yes.

20. This is a copy of your evidence given then [produced—Parliamentary Paper I.–6B, 1910]?—Yes.

21. With reference to the control of this wharf by the Railway Department, you were in business here until 1912?—Yes, for twenty years.

22. During that time how was the wharf administered by the Railway Department from the point of view of the people using the wharf as apart from the Railway people?—A good part of the time we sent out carts down to the wharf and got delivery, but latterly the Railway Department refused to give delivery until the whole of the stuff had been tallied out.

23. Was any effort ever made on the part of the Railway Department to improve the wharf and work it in the interests of the harbour?—None whatever.

24. Have any improvements been made in the river between this and the Heads?—They dredged the metal-bank out by the coal-bins and sold £620 worth of metal to the borough. That deepened the river.

25. With regard to the sheds, are they adequate for the needs of the port?—Just about half.

26. Have you endeavoured to get the Railway Department to improve those sheds in the interests of the port?—We have asked them several times, and they have done nothing.

27. What was the position with regard to Patea, and Waitara, and Wanganui in 1880, with regard to wharfages there?—I made a personal tour up to Patea and Wanganui. At Wanganui there were two wharves, and at this time the railway-station was at Ridgway Street. It was not convenient for the Railway to land coal, as they had to go to Aramoho, so they took the foreshore

from the Wanganui people by Proclamation. As a *quid pro quo* they agreed to build the wharf and pass all revenue accruing from the wharf back to the Harbour Board, less the cost of handling. The same thing applied at Patea. It was for the convenience of the Railway Department that the Government built the wharf upon the railway-site. The wharf built by the Provincial Government was upon the Patea side of the river. There are two wharves there now. The Patea people collected all the revenue from their wharf, and the same conditions applied as at the Wanganui Wharf. Here in Foxton the Railway Department, for the convenience of getting coal, ran the railway on to the waterfront.

28. In the old days did they land much coal?—The greater portion was landed five or seven years ago, but the banks have been increasing lately, and the boats have refused to bring in coal cargoes.

29. That is due to the gradual silting-up of the river?—Yes, those banks in the river.

30. In 1880 how was it that the Government did not treat Foxton in the same way as they treated Wanganui, Patea, and Waitara?—I could not say, except that there was not fight enough in the people.

31. At the present time I think this Commission is the outcome of the work of five members that waited on the Minister?—Yes; all the representatives of the districts went from Taihape and Rangitikei right down to Paekakariki.

32. Do I understand that the local authorities in the district extending from Taihape to Marton, and back as far east as Dannevirke, and Paekakariki are united that you should have control of this wharf?—Yes.

33. You have been Chairman of the Board since 1908, when it was constituted?—No. I came in 1910.

34. With regard to the effect upon the railway traffic, you made a point before the parliamentary Committee that what they would lose in long-distance carriage they would gain in short-distance carriage between other places?—Yes. I tried to get out of the local Stationmasters the class of engines and haulage-power, taking the Wellington–Longburn run and the Foxton–Longburn run, and from what I could glean I think the Railway Department would be making a better profit, taking Class A, which is general goods, out of 16s. a ton between Foxton and Palmerston than they would out of 45s. between Wellington and Palmerston.

35. If properly worked out the net profit on this line would more than equal the net profit on eighty-eight miles of haulage from Wellington to Palmerston?—Yes.

36. Are there any material buildings on the line?—No.

37. Are there many employees on this line between here and Palmerston?—Only two.

38. And the engines and carriages used are not up to date?—No. There is one point I should like to mention, that a year or two ago I approached the owners of the Canterbury Steamship Company to know if they would send their boats here provided we could give them a certain draught of water. They said that provided we could give them a depth of 11 ft. they would do so, and the report we have from Mr. Howarth gives 14 ft. and 15 ft. if the improvmenets are carried out.

39. You wished to get boats of the same size as those going to Wanganui?—Yes.

40. Would that be an advantage to the port to have boats from southern ports?—Yes, it would save 7s. or 8s. a ton.

41. With regard to finance, you have been very keen to get sole control of this wharf. Can you see your way to deal on the terms suggested by the Railway Department?—No, we could not. I got an offer from the late Mr. Millar at one time, and he specified that we should form a rating-area. I went to the different districts interested——

42. *The Chairman.*] What was the rating-area for?—The rating-area was to get £20,000 for the wharf, but each local body turned it down. They thought it was the natural heritage of the district, and they did not see why they should pay the Government £20,000 for what cost the Government nothing. I would be prepared to see to the financial part if we were put upon the same level as the Patea and Wanganui people were.

43. *Mr. Weston.*] That would mean that the Government would still get the coal free of wharfage?—Yes. Another point I should like to mention is that the Government at the time treated the place very badly. They did not recognize this place at all. They took the foreshore by Proclamation, and never gave us a *quid pro quo* the same as they did in the case of Patea and Wanganui.

44. *The Chairman.*] You say you have not been treated in the same way as other districts?—Yes.

45. They have got concessions in regard to the wharves which you have not?—Yes.

46. *Mr. Myers.*] You will agree, I suppose, that there is no reason why the people in Foxton should not make their own railway pay from here to Palmerston?—The people in Foxton were not consulted about the railway when it was made. It was made as part and parcel of the general railways of the North Island irrespective of what portion may have benefited.

47. You are getting a benefit from the railway?—No more benefit than other people in any other part of the country.

48. You say if the Foxton–Palmerston Railway does not pay apart from the wharfage, you do not see why the Foxton people should make up the loss?—I certainly say not.

49. *The Chairman.*] You say it was not a branch line made for Foxton alone?—Yes, it was part of the main line.

50. *Mr. Myers.*] You say you have inquired into Patea and Wanganui wharf matters?—Yes.

51. Have you extended your inquiries to Nelson?—I tried to get some information from Nelson, but the only information I could get was that when the Nelson Harbour Board was brought into existence they omitted a clause in the Act to allow them finance. There were no powers to finance.

52. I suppose you know that the Nelson Harbour Board is in very much the same position in regard to the wharf there as the Foxton Harbour Board is in regard to the wharf here?—We are in a far worse position, because there has been some understanding between the Government and the Nelson Harbour Board whereby the Government has found for it in the shape of endowments fairly large sums of money.

53. I suppose you know that in Nelson the Government take all the wharfages?—Yes, but the Nelson Harbour Board get endowments.

54. You have some endowments?—Yes.

55. I suppose if you got your wharf here for nothing you would say the Nelson Harbour Board should get their wharf for nothing?—Perhaps it would be only just that they should. I want to qualify that answer by saying that provided the Nelson Harbour Board's endowments are the same I say they are just as much entitled to the wharf as Wellington is to their wharf.

56. You told the Commission that you think the wharf would have cost about £3,000?—I am calculating it on the figures given me by Mr. Weston.

57. Do you remember telling the parliamentary Committee in 1910 this: "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."?—I notice I have qualified my remarks—as far as I could say. I could get no information from the Railway Department as to the cost of the wharf.

58. You say you should get this wharf for nothing?—I reckon we are entitled to it.

59. You do not even want to pay its present value as a structure?—Not if I could get it without.

60. I suppose you recognize that without the railway connection at the wharf the wharfages could not amount to anything like what they amount to now?—To that I would answer that the same thing applies to practically all our wharves in New Zealand. The railway has been run for the wharves and for the convenience of the railways, not for the convenience of the district.

61. It is a fact that without the railway the wharf would be of little value?—If the station was a mile or half a mile away from the wharf it would be the duty of the Harbour Board to get connection with the railway by paying for it themselves.

62. The Harbour Board, if it got the wharf, would also be getting the benefit of the connection of the railway?—Yes. This river was a great factor in colonization, and it was for the benefit of colonization that this railway was built, and the wharf and the river at that time took a very large share in the settlement on this coast.

63. I think in 1910 you were prepared to pay £10,000 for this wharf?—I always made this offer subject to the Board, and if it was not turned down by the Board it was turned down by the district.

64. Do you remember being asked before the parliamentary Committee, "What do you think is a fair price?" and do you remember answering, "Although £10,000 is over the cost I think my Board would be prepared to pay for it"?—Yes, I said that.

65. The wharf is worth no less now than it was then?—It is six years older.

66. But do you not know that £1,400 has been spent in repair work?—I am not a practical engineer, but it seemed to me to be a waste of money to put a new decking upon a rotten foundation. It means those piles have been in there for forty years—some of them longer.

67. Do you say the foundation is a rotten foundation?—I should say it has served its day. It is not exactly rotten, but the upkeep of that wharf would be considerably more than for a new wharf.

68. Your idea in 1910 was that this wharf had originally belonged to the Foxton Harbour Board?—No, I have not said anything about that at all.

69. I put this to you, that for years the Harbour Board's application to the Government for this wharf was based upon the contention that it originally belonged to the Board?—No, not the wharf. You will never find that in any part of my evidence. I have never said that the wharf ever belonged to the Board. I said when the original Board was in existence——

70. Listen to this question in 1910 before the Committee: "When did you have the wharf?" and you replied, "We had it conferred on us by the Act of 1876 and 1878, and abolished in 1886"?—Yes, we had it conferred, but it was not taken possession of

71. Do you contend that this wharf ever belonged to the Board?—No, the Board never had possession of it. The position was this: when the Harbour Board was brought into existence first the Act gave the foreshore to the Board, and the Government built the wharf on our land. The wharf was in the hands of the Customs Department and they offered it to the Board, but the Board at that time could not see their way to finance the pilot's "screw."

72. Is it not a fact that about 1878 the Marine Department asked the Board whether it would take the wharf over and take the wharfages, including the maintenance of the wharf and the pilotage rates?—Yes, I am quite satisfied the offer was made to them and that the Board refused.

73. Do you not know that the Government then in 1880 spent this extra money, extended the wharf, and made the reclamation, and that immediately afterwards the Foxton Board came along and said, "Now we will take it"?—No. I was not a member of the Board then.

74. *Mr. Hanney.*] Mr. Howarth said that by expending the money as he suggested in improvements in his report you will get coal-vessels of 300 tons?—Yes.

75. You would not get colliers of 300 tons?—According to his report there would be 15 ft. of water over the bar and 14 ft. up the river, and that will be sufficient to allow a vessel of 500 tons to come up.

76. *Mr. Weston.*] With regard to the offer you made to a parliamentary Committee to give £10,000 for the wharf, supposing you had given £10,000 then, what would you have had back in the last six years?—We would have had the wharf paid for.

FOXTON, SATURDAY, 20TH MAY, 1916.

ALBERT JAMES KELLOW sworn and examined. (No. 6.)

1. *Mr. Weston.*] You are manager for Levin and Co. at Foxton?—Yes.

2. How long have you been manager?—Just six years.

3. The whole of the shipping trade of Foxton passes through Levin and Co.'s hands?—Yes.

4. You have taken out of your books a list of the trade done in the various classes of goods by your vessels since 1907–8?—Yes.

5. This is a copy of the statement [produced]?—Yes. [Statement put in—Exhibit J.]

6. *The Chairman.*] To what dates are they made up?—To the 31st March.

7. *Mr. Weston*] How do you account for the decrease in wool?—The decrease last year is largely accounted for by the fact that a large quantity of wool is forwarded to Wellington for the sales instead of going to London.

8. Now, in regard to hemp, that has increased?—Those figures for this year are not as big as they should be because we hold such a lot in store. The total received into store would be 42,000 bales this year.

9. The difference between 35,000 and 42,000 bales has been held here owing to the shipping difficulties?—Yes, the London shipments.

10. *Mr. Williams.*] How many bales would go to a ton?—Hemp, five bales. 48,000 bales have been received up to the 31st March, 1915–16. This is the biggest year we have ever had for shipment.

11. *The Chairman.*] How is the flax brought to your store: does it come by railway or is is carted?—The great bulk comes by carts, and a fair quantity comes down by punts. A fair quantity comes from Rangiotu.

12. *Mr. Weston.*] What percentage of the quantity shown does not come by rail?—About 80 per cent. comes by carts and punts and 20 per cent. by rail.

13. *The Chairman.*] I suppose the cartage would not be for a great distance?—No, the mills are quite close. Some mills are five miles away.

14. *Mr. Weston.*] I notice in 1913–15 you show some quantities in brackets: are those included in the total?—Those statistics apply only to stuff actually shipped by steamer.

15. What are those in brackets?—Those are the bales which would have been shipped but for trouble with the bar—harbour troubles.

16. Can the Commission take it that practically the whole of the hemp and tow produced in this district is shipped by sea to Wellington?—Practically the whole of it except owing to stress of circumstances when we cannot ship it owing to harbour difficulties.

17. If the harbour were closed what effect would it have on the hemp industry?—That is a very hard question to answer. It would have a very bad effect upon the Railway Department. I do not see how they could handle the stuff.

18. Would it be as convenient and as cheap for the mills to forward the hemp and tow to Wellington by rail?—No, and, of course, it would be very inconvenient.

19. *The Chairman.*] What is the rate of freight by ship and by rail?—The rates of freight are about equal.

20. *Mr. Weston.*] Why would it be more convenient for them to send it by steamer than by rail?—Because the local grading-stores are here, and if there were no grading-stores they would have to send the stuff to Wellington, and risk the weather and all sorts of things of that description.

21. Would they be able to dump the hemp and tow here?—Under present conditions they could, but before our stores were built they could not.

22. Can you grade after the stuff has been dumped?—No.

23. It would mean that all the stuff would have to be sent to Wellington ungraded?—No; it could be graded here and dumped here.

24. Would that mean greater difficulties in handling?—There would be tremendous difficulties in loading into the trucks.

25. *Mr. Hannay.*] What difficulty—what is the difference between loading into the trucks and loading into ships?—In loading into ships you simply put the bales alongside the ship which takes them, but in loading into trucks you have to load them yourselves. You have to load the first tier, and then load the second tier, and cover the truck. It would cost very little more, except for handling-charges, which would be increased.

26. *Mr. Weston.*] Practically the whole of the hemp and tow goes down by boat to Wellington as compared with rail?—Yes. I have the figures here covering the actual grading. In 1909 we graded 11,320 bales, and in 1916 over 48,000.

27. In regard to general cargo outward and inward there has been an increase?—Yes.

28. With regard to coal there is a big drop, from 15,721 tons in 1907 to 5,258 tons last year: what is that due to?—That is practically due to the troubles on the bar and in the river. The shipowners will not take the risk of sending their ships with coal here now on account of the shallowness of the river. In 1910 we received 18,000 tons, most of which would be railway coal, but it has gradually decreased. I know of one case where the Westport Coal Company took a contract for 4,000 tons, but they were only able to deliver about 800 tons. The Department, I understand, got rather tired of the trouble they had, and I do not think there are any coal contracts here now at all.

29. *The Chairman.* Does not railway coal come now?—Very occasionally.

30. The 5,000 tons last year would have been for private consumption?—Most of it, yes.

31. *Mr. Weston.*] The Borough Council wants coal for its gasworks?—Yes, they take a large quantity.

32. *Mr. Hannay.*] With regard to the outward and inward cargo, do you know if it has increased much since the Government took over the Manawatu Railway in 1908?—The figures show it has increased.

33. And that is because more merchandise has come by sea and gone by sea?—Yes, that is natural.

34. *Mr. Weston.*] There is a big difference in the freights on general cargo by sea and rail?—Sea traffic is always recognized as cheaper than rail traffic.

35. With regard to coal, when you first came here were they able to bring in full cargoes of coal by steamer then?—Yes, better than they can do now. The "Putiki" used to come with 250 tons, but the owners refuse to send her now. The "Awahou" could carry 300 tons on a 10 ft. draught, but we can never give her more than 8 ft. now, and she comes with half a load—170 tons. That is not a payable proposition.

36. What happens now, I understand, is that the "Awahou" unloads half her cargo at Wanganui and brings the balance here?—Yes.

37. With 11 ft. or 12 ft. depth on the bar and right through the river, what tonnage could you bring over the bar?—Anything up to 350 tons, and perhaps more. The "Awahou" cannot carry more than 335 tons, but a boat like the "Alexander" could bring about 350 or 370 tons. She used to trade here. The "Himitangi" used to trade here also, but she cannot work the port now. The "Kaitoa" used to work here, but on account of having to reduce the loading the owners refused to send her here at all.

38. Now, with regard to the general conditions of the port since you have been manager of Levin and Co., in what direction has it progressed?—It has not progressed in any direction except in the volume of trade.

39. I am speaking of the depth of water on the bar—the conditions of the port: have they improved or gone back?—They have gone back.

40. What is the future of the port unless something is done—will it be possible to keep on working?—Of course, the conditions fluctuate. Sometimes a flood will give you a big depth, while another flood the following month will possibly spoil the depth and make things worse. If nothing is done the natural consequence will be that the conditions will get worse all the time.

41. They have been getting worse ever since you have been here?—Yes. Unless something is done in the near future the conditions will get worse.

42. I suppose that would have a serious effect upon the town?—Yes, as far as Foxton itself is concerned; but the port serves the district more than it does Foxton. The district extends from Pahiatua to Dannevirke right through to Marton, and covers all the country round Bull's, Rangitikei, Shannon, and Tokomaru.

43. The whole of that district would be affected?—Yes.

44. And I suppose the prosperity of Foxton would not be improved?—No. Of course, the hemp industry is our main asset.

45. *The Chairman.*] Do you export any cheese or butter?—No.

46. Is there none made in the district for export?—Yes, there are factories in the district, but the produce goes by rail.

47. *Mr. Weston.*] You have no cool chambers?—No; it would not pay us to bother about that class of cargo.

48. With regard to the railway, Mr. McVilly told us that about 95 per cent. of the general cargo inwards and outwards in this port was railed either to or from the port?—I think that would be about a fair estimate.

49. *The Chairman.*] I suppose the merchants will get some supplies from Wellington and Palmerston by rail?—Yes, but not much. Of course, we have in view the fact that if the port was dealt with fairly and there is a sufficient draught of water the merchants of Palmerston and Wellington would build stores here, and make this a distributing-centre for the whole district.

50. *Mr. Weston.*] There would be not only your firm but other firms?—Yes.

51. Supposing that happened and the railway lost the freight from Wellington, they would have in place of it the freights from Foxton to the places were it is distributed to?—That is so.

52. So that it would not be a total loss to the railway?—No. You must remember that a truck of cargo coming from Foxton to Palmerston is released two or three days before it is from Wellington to Palmerston.

53. *Mr. Hannay.*] Not if the Railways are doing their duty properly?—We find great delay in getting a truck from Wellington.

54. *Mr. Weston.*] Take your case here, where you have had to ship tow and hemp, what has been your experience when you have had to call upon the railway—have there been delays in transit?—Yes; we have missed quite a number of steamers by having the stuff blocked. Paekakariki was a favourite spot to side-track it.

55. When you have had to send cargo by rail on account of the state of the bar you found it did not get a quick despatch?—We have often found it so.

56. With regard to the working of the port, have the Railway Department met the demands of the port in the way of shed accommodation?—No, that is our main difficulty here. The present goods-shed, I understand, has been in existence for thirty-five years. The traffic has increased to an enormous extent, as the figures show, but the accommodation has not been touched. We have made very strong representations to the Department on many occasions about the difficulties we are under, but nothing has been done.

57. How far back do those representations extend?—One gentleman told me they made representations fifteen years ago.

58. You have been in Levin and Co.'s employ in Wellington?—Yes, for about twenty-one years.

59. To your knowledge were Levin and Co. moving in the matter fifteen years ago?—Yes.

60. And during the last six years you have been here have you been bringing the matter before the Department?—Yes; we have often brought it before the Traffic Manager at Wanganui

and the Stationmaster here, but nothing has been done. With the "Queen of the South" coming here with a load of cargo she had to discharge part of one hold into the goods-shed, and all the cargo in the after hold has to be put into the railway-trucks. This last week she came here and we loaded seventeen trucks with cargo, and I suppose about nine of those have to be returned to the goods-shed, discharged on to the floor, and loaded up again.

61. Has the cost of working your ships increased on account of the want of shed accommodation?—Certainly. We have delays. For instance, at Easter time we had the "Queen of the South" at Foxton on the Wednesday and her cargo more than filled the goods-shed. Then on the Thursday we had the "Awahou" with 300 tons of cargo, and every ton of that had to go into trucks, and was lying on the Foxton Wharf until the first cargo could be dealt with.

62. *Mr. Hannay.*] Did you pay any extra charge for that?—Seeing it was not our fault I do not think we were to be expected to pay anything extra.

63. Who bore the cost?—The consignee had to stand the delay of his goods. On the Saturday the "Queen of the South" came in again, and her cargo had to be dealt with, while the "Awahou's" could not be touched at all.

64. But you may not have any cargo for a week?—Yes; the bar may be bad. The Railway Department may have these railway-trucks in Foxton or elsewhere empty for a week whilst our stuff in lying in Wellington waiting to come up, and because the bar is not touched or improved we cannot get the vessels in here. If the bar was deepened and improved we could have a bigger traffic and have a boat every day.

65. *Mr. Weston.*] The expense of putting up increased shed accommodation would not be great?—I suppose if the present railway goods-shed was doubled it would fulfil all requirements.

66. I understand the modern steamer has two holds that you work at the same time?—Yes.

67. Can you work the two at the one time here?—Only by putting the contents of one hold into the trucks. Of course, that costs the Department more to handle the stuff than if it were put straight into the goods-shed.

68. I take it that the cost of working would be materially lessened if they had better accommodation?—Yes, materially lessened. I reckon that if the Department would spend £600 or £700 in putting up decent goods-sheds extensions they would save £100 a year in labour.

69. And that money would be available to develop and improve the bar if the port were in the hands of the Board?—Yes.

70. You have your diary here showing how your vessels have been held up by the present state of the bar?—Yes. The river is the biggest difficulty, and the bar occasionally.

71. I take it that at the present time the conditions are such that you cannot work for seven days during neap tides?—It practically means that traffic is suspended during neap tides.

72. And during the rest of the time you are constantly stuck?—Yes. We sent the "Awahou" out on Easter Sunday empty for Greymouth drawing 6 ft. 6 in. on a 1 o'clock tide. That is a fairly good tide. She stuck towards the bar, and she got back to town on the following Saturday. She was there for a week with nothing in her at all. She did the same thing within a month. She went down on the Monday morning and came back on the Sunday for coal.

73. It has become very much worse during the last eighteen months?—Yes, it is getting worse all the time.

74. *The Chairman.*] It will be necessary to have dredging to make the improvement?—Yes, that is the only means.

75. *Mr. Weston.*] You know the proposal suggested by Mr. Howarth, the Engineer to the Wanganui Borough?—Yes; that is the idea approved by the captains of the ships.

76. Do you think there would be any difficulty in getting the district to give security by means of a rate, say, for £10,000 or £12,000 to buy a dredge and improve the harbour?—If the Board has to pay all its revenue out in interest to the Department the district could not look at the thing.

77. *Mr. Hannay.*] What is the rate of freight on merchandise from Wellington to Foxton?—9s. per ton on most cargo—a very cheap rate. The cost of labour has made the running of ships very costly, and it has gone up from 7s. 6d. to 9s.

78. *Mr. Weston.*] With regard to the work done by the Railway Department out of the wharfages in regard to inward cargo, where does the responsibility of the ship end?—When we deliver the stuff on to the trucks and hand-trucks from the slings.

79. They take it from the slings into their trucks?—Yes.

80. And the only work the Railway would have would be to take the trucks and attach them to the train?—Yes, and put a cover over them.

81. With other cargo they would take it into the shed and store it for despatch?—Yes.

82. With regard to flax and tow, what work would they have to do on that?—No work at all. I estimate the Railway Department receives about £750 wharfage on flax, tow, and wool per annum, for which they do nothing.

83. What do they do with regard to outward cargo?—They put the truck alongside the ship. We handle it, and sling it, and put it on board.

84. *The Chairman.*] I presume that in loading a truck from Longburn or Palmerston the goods for the ship will be put into one truck by themselves?—Yes.

85. And then brought alongside the ship and the ship slings them?—Yes. We supply the labour to put it on board.

86. *Mr. Weston.*] So that practically the Railway Department has very little labour to pay for in the working of the cargo?—Yes, outward cargo.

87. Supposing the ship is not ready to take the cargo from the truck, what does the Railway Department do then?—If they do not want the trucks they leave it there; but if they want the trucks they discharge the cargo, and charge 1s. per ton handling-charge.

88. That is a fee in addition to the wharfage?—Yes; and then if the cargo is left for two or three days after discharge they charge storage. They store all the stuff out in the railway-yard and we have to pay storage. If the Railway Department would give us proper facilities for working the port there would be no handling, because we would have a boat every day for the receiving of the goods.

89. You have a siding and also a shed there?—Yes.

90. If cargo is consigned to Foxton for you have you to pay any charge to bring the truck from the railway-station to your ship?—The Department is now charging us haulage. If the goods are consigned to Foxton the truck is left in the railway-yard. They hitch a horse on to it and charge us 1s. per ton for bringing it alongside the ship.

91. We have heard something about a terminal charge?—It is only a charge made against a certain class of goods coming to the port—Class E goods. Why there is a terminal charge I have not been able to find out.

92. You were in Foxton when they did the redecking of the wharf?—Yes.

93. And I suppose you saw the condition of the underwork when the old decking was taken off?—Yes.

94. What have you to say from what you yourself saw and from what you heard from the men doing the work?—I should say the under-structure required more attention than the decking. The piles are in such a condition that it is only a matter of a few years before they will require to be replaced.

95. During the last six years has any money been spent by the Department between here and the Heads?—Not a sixpence.

96. *Mr. Myers.*] I understand that one of your reasons why you think this wharf should be taken over by the Harbour Board is that the shed-accommodation facilities are lacking?—I did not say that.

97. You made a great deal of it: is that one of your reasons?—I said the Railway Department should increase the accommodation of the goods-shed in view of the amount of cargo coming to the port.

98. A good deal has been said in regard to the want of shed accommodation?—Yes.

99. And I ask you is that one of the reasons why you say the wharf would be better in the hands of the Harbour Board?—No, I did not say that.

100. You do not say that?—I would be quite satisfied if the Department would act as the Harbour Board and do the work, and for them to stop there.

101. That is not what I am asking you?—We do not want to push the Department out if they will do their duty.

102. *The Chairman.*] If they will make you a harbour and deep river you do not care whether it is the Railway Department that does it?—No.

103. *Mr. Myers.*] What has all this shed accommodation to do with the subject-matter of this Commission?—I am not discussing the subject-matter of the Commission. I am simply answering questions.

104. Supposing the Harbour Board did have the wharf, how could the Harbour Board improve the shed accommodation?—The Railway Department would have to improve the shed accommodation.

105. Then what you are asking is that the wharf should be taken over by the Harbour Board, and that the shed accommodation should still be a matter for the Railway Department?—Certainly.

106. And that the Railway Department should increase the shed accommodation?—Yes, because they would make money out of it by doing so.

107. I suppose you know that even in a place like Wellington the shed accommodation is sometimes insufficient?—Yes, practically all over the country. Still I do think thirty-five years is too long to wait for an improvement.

108. And I suppose the difficulty during the last year or so has been somewhat increased in consequence of the war and the shortage of tonnage?—You mean shortage of tonnage?

109. For instance, you yourselves have got to block your store up with hemp which under ordinary circumstances would have been sent away long ago?—That does not affect the inward cargo coming through the railway goods-shed.

110. You say the trouble is in regard to inward cargo—the want of accommodation?—Yes.

111. But you do not suggest even if the Harbour Board had this wharf that the Board should or would be required to afford any shed accommodation?—No, not unless the Department passed the shed over to them.

112. Is there anything else you would like?—I do not ask them. They should do that if they want the Board to increase it.

113. Will you tell me who are the persons or companies who own the ships that trade to this port?—There are the South Taranaki Shipping Company, the Anchor Company, Levin and Co., and Johnston and Co.

114. How many steamers trade to this port altogether at the present time?—The "Queen of the South," "Kennedy," and "Awahou." The "Waverley" has been consistently running here until lately. She has gone to Patea. The "Putiki" and "Kaitoa" have been stopped by bad conditions, so that at the present time the trading is confined to three vessels, the "Queen of the South," the "Kennedy," and the "Awahou"; but the owners of the "Kennedy" are dodging the port as much as they can on account of the risk they run.

115. Notwithstanding all the difficulties you speak about, the work at the port has very greatly increased?—Yes.

116. Do you not know that before 1907 or 1908 the shipping of this port was kept back very much owing to competition from the Wellington–Manawatu Railway?—I was not here then.

117. You were in Wellington?—I was over in Blenheim.

118. Do you not happen to know?—Yes, it is a fact.

119. And do you not know that the Government Railway Department and Levin and Co. were working together in the interests of the port as against the Manawatu Railway?—No, I did not know that.

120. You have spoken about the quantities of coal that have come into Foxton?—Yes.

121. Is it not a fact that most of the coal that came in was for the railway or Government purposes?—That is so.

122. Do you know the reason why the Government has ceased to import its coal in this way?—I do not know the reason they say, but I know for a fact that they could not get as much coal through here as they wanted to get before they changed the contracts.

123. Do you know whether it has suited them better to make other arrangements?—They would say it has suited them better. The fact of the matter is that the Department could not get as much coal as they wanted to when they had the contracts here.

124. Do you know where the Government railway gets its coal for Foxton?—I think it comes from Wellington or Wanganui.

125. Do you know that?—Yes. Of course, there is some coming through Foxton, but not much.

126. The Railway Department, I suppose, makes its arrangements with the shipowners. You would not have any knowledge of the arrangements it makes?—No.

127. Your company has only the one ship coming here?—No, two—the "Queen of the South" and the "Awahou."

128. Did it not have other ships coming here, say, within half a dozen years?—Yes, we had the "Gertie" trading here.

129. Did your company ever have more than two at one time on this run?—I do not think so.

130. What is the tonnage of the "Queen of the South"?—She carries about 225 tons of general cargo.

131. And the "Awahou"?—She mostly comes here with coal. She can carry 340 tons, but she never comes here with more than 170.

132. How long has the "Awahou" been running here?—Three or four years, I should say.

133. And the "Queen of the South"?—About twenty years.

134. You have told us that the depth of the river in the channel is not as good as it used to be?—It fluctuates, but the general condition of the river is not as good as it used to be years ago.

135. Does that apply also to the depth at the wharf?—The depth at the wharf does change occasionally. We very often have vessels sitting on the mud at low water when discharging there. In fact, the part of the river between the Railway Wharf and our sheds was such that you could not bring a vessel down there at times.

136. Would you say that the general condition at the wharf has altered for the worse?—Yes; it is more shallow than when I came, but not a great deal. There is not enough water there to do the work properly. There is always a chance of the vessel sitting on the mud. The Department did some dredging there some years ago.

137. Was that dredging done since you came here?—Yes. It was about four years ago, I think. It was done with a grab dredge.

138. Would you expect if the river is deepened and the conditions improved that the quantity of goods shipped by the vessels would be increased?—It is a natural consequence, I should say. More vessels would be running.

139. And the quantity of goods carried by rail from Wellington decreased?—Naturally. That is the trouble, of course.

140. That, of course, would affect the revenue of the railways?—It would affect them to a certain extent, but whether it would affect them in their net profits I could not tell you. I do not think it would very greatly.

141. Does the Department employ many casual hands here in connection with the business on the wharf?—Yes, about twelve.

142. You say that the Railway Department receives about £750 per annum from hemp and tow?—And wool, yes. That is at 3d. per bale, but there has been an increase of 10 per cent. since last October.

143. And have the freights gone up too?—Yes. It is 9s. now, while before that it was 8s. 6d., and some years ago 7s. 6d. It was 7s. 6d. when I first came here.

144. I am told that in the days of the Manawatu Railway competition you used to run at 5s. per ton?—I could not say that. It was rather foolish if they did. I should like to say that you must not take me as a hostile witness to the Department. If the Department will do their duty to the port that is all we want. It is a question of whether they should be there (in the interests of the district) and do nothing, or whether the Board should be there and do something.

145. You are putting it purely from the interests of the district?—Yes.

FRANK LAWTON sworn and examined. (No. 7.)

1. *Mr. Weston.*] You are Harbourmaster to the Foxton Harbour Board?—Yes.

2. How long have you been Harbourmaster?—Seven years.

3. During that time how has the general condition of the harbour and bar altered—for the better or worse?—For the worse.

4. What is the difference, for instance, on the bar?—Well, seven years ago a vessel could come in at the top spring, 9 ft. 6 in. The maximum now is 8 ft. That is, the bar has gone back 18 in. The river, taking it all through, has got worse all the time.

5. *The Chairman.*] Have you had any floods since you came here?—Yes.

6. Has that had any effect?—Yes, sometimes it scours the place out and at other times it blocks the river up—periodically.

7. *Mr. Weston.*] Allowing for fluctuation, the general condition is going back?—Yes, gradually filling up.

8. With regard to inside the bar, what length are the shoals?—The length of all the shoals to dredge would be about 100 chains, and the rest deep. There are five or six patches, but with the exception of those there would be no difficulty in maintaining the depth of water inside; but those will have to be dredged.

9. Knowing what sea you get at the bar, do you see any difficulty in dredging the bar with one of those suction dredges like the "Thomas King," of New Plymouth?—I do not anticipate any difficulty. For a week at a stretch I have seen the bar as smooth as the river: that is on top tide. A low-draught dredge could work on the bar.

10. *The Chairman.*] Have you had any experience of any other bar harbours?—Yes, at Greymouth and Westport.

11. Is the sea here as heavy as at Greymouth and Westport?—At times. It is in a bight and is sheltered. The south-west and westerly winds are the worst. The southerly and easterly winds do not affect us.

12. *Mr. Weston.*] I think you have kept some returns of boats sticking?—Yes. [Return, 1913 to 1916, put in—Exhibit E.]

13. Where do they stick mostly—on the bar or the shoals?—The shoals in the river.

14. Have you deep water on both sides of the bar?—There are periodical times, but on the average it is deep water inside and out.

15. *The Chairman.*] Is the bar broad?—At times it is pretty broad, and at other times it is just narrow. It changes.

16. As to the weight of the sand, is it light or heavy sand?—It is the sand from the banks—not very heavy.

17. *Mr. Weston.*] If something is not done to the shoals what is going to be the result?—It means the port will have to be closed altogether. The shipowners will not send their vessels here on account of the risk.

18. Have the classes of vessels altered during the time you have been Harbourmaster?—No, just about the same.

19. I mean the size of the vessels—do they bring in the same cargoes?—Oh, no, not near.

20. *Mr. Myers.*] Is this return you have produced a return of all the strandings?—Yes; taken out of my diary.

21. And it is a complete list?—A complete list since 1913.

22. Have you got a list for the four previous years?—I have got my diaries. I could get that.

23. Will you make up a list from your diaries of all the strandings?—Yes, for the time I have been here.

24. Have you kept a record of the soundings from time to time?—Yes, I have it in my diary; but sometimes I do not put the soundings down. I will make out a copy of the records I have from my diaries.

25. Have you kept the soundings of the depth at the wharf?—Yes; I have sounded it right up to the wharf.

26. What has happened at the wharf—has the condition improved or otherwise?—Sometimes you may get 18 in. more water after a fresh.

27. Speaking generally, has there been any material difference in the depth of water at the wharf since you have been in Foxton?—Not a great deal.

28. I suppose really it is not appreciable?—No. The only difference has been at the bottom of the wharf where the Government has done a little dredging. That has improved there.

29. *Mr. Weston.*] When was the shingle-bank removed which had given trouble?—That is over twelve years ago.

GEORGE HENRY STYLES sworn and examined. (No. 8.)

1. *Mr. Weston.*] You were Mayor of Foxton for many years, and have also been Acting-Chairman of the Foxton Harbour Board?—Yes.

2. You have also been in business here for many years as a drapery and general importer?—Yes.

3. What effect have the harbour difficulties had on the trade and growth of the Town of Foxton?—We consider that owing to the difficulties of the port we have been held back detrimentally for twenty years. Every ship that fails to come into port means a direct loss in wages. We are affected considerably here. We should be in a fortunate position, but the freight is differentiated to us to the extent of 3s.—that is, the sea freight. It is 12s. 6d. to us, but to Palmerston they charge 9s. 6d.

4. With regard to the condition of the river, is it going back or remaining as it was?—I know by statistics that it has gone back. Before the parliamentary Committee of 1910 the late

Mr. Millar told the deputation that the rumour that they would divert their coal trade was unfounded, so I take it that the loss of the coal trade here is only because the boats cannot get into the port.

5. The boats cannot carry the loads on account of the depth of water?—Yes.

6. You have gasworks of your own here?—Yes.

7. Have you found a difficulty in getting coal for the use of the gasworks?—Yes.

8. What is the loss to the borough in consequence?—On one occasion two or three years ago I distinctly remember that it cost the Borough Council £15 extra through having to get coal round by rail as compared with what it would have cost at the port. That was due to the conditions in the river and being short of coal.

9. Has the diminution in the amount of coal imported affected the demand for labour on the wharf?—Yes, considerably. There has been a distinct loss in wages during the past six years. According to the statistics of Levin and Co. there have been 55,000 tons less brought into this port as compared with the coal brought in prior to that. Every 250 tons of coal brought to the port represents about £15 or £16 in wages. There used to be fourteen and sixteen coal-steamers loaded with coal coming here per month, whereas now the maximum is one to two.

10. Through the harbour not being kept in good order, how has it affected your business?—It has cost me hundreds of pounds during the last few years. All my goods are landed free at the nearest port; but hundreds of times owing to the boats being detained I have wired to my people to send the goods round by rail, and that means that instead of getting the goods carried free I have to pay all the freight on account of their coming by rail.

11. The great difficulty about the river is that you cannot get a regular time-table?—That is so. I might say that, having a business in Levin, I wished to make this port a distributing-centre, but I failed to do it on that account. During the last five years goods to the value of £20,000 would have come through this port had I been able to make this my distributing-centre.

12. And the difficulty is owing to the condition of the bar and the shoals, which prevents a regular time-table?—Yes.

13. Are you satisfied that the harbour is going back year by year?—It is a difficult question to answer. The experts report that the bar at high spring tide used to be 9 ft. 6 in., but the "Kennedy" was lately shut out on a 7 ft. draught.

14. From your experience the borough gasworks cannot get the same cargoes of coal over the bar that you used to get?—I think they get most of the coal through the port, but we have to order in small quantities of 60 tons.

15. In regard to finance, you were a member of the Harbour Board when the Government offered to sell this wharf to the Board for £28,700?—Yes.

16. Was there any chance of getting the district to finance that?—No, there would not have been, for the reason that they felt that to rate themselves and then for the Railway Department to take what the ratepayers thought was their own was practically rating themselves twice.

17. They would not rate themselves?—No, I do not think so.

18. Supposing you get a favourable result and these wharves are acquired by the Harbour Board, would there be any difficulty in getting the inhabitants either by private subscription or by means of a rating-area to put up £15,000?—I can say this: that if the Harbour Board were granted the wharves and wharfages for anything within £10,000 I do not think there would be any difficulty at all. I am putting it at the maximum. I believe even to that extent we would be prepared to subscribe it. I think we would get it by private subscription at a fair rate of interest.

19. *Mr. Myers.*] I suppose you know that a dredge would have to be bought?—Yes.

20. That is another £8,500?—Yes. May I suggest that if the Government were selling this wharf to us they might treat us in the same way that they treated Onehunga—to pay it off by a series of payments.

21. But even then you would have to buy a dredge?—Yes.

22. Where are you going to get that money from?—If we could arrange with the Government to make it an annual charge, the sum of money could be raised privately to purchase the dredge, and not to find the other capital sum.

23. Where are you going to raise that from except from the Government—do you think the money could be raised locally, or how?—I think a certain sum of money could be raised locally.

24. On loan, or gift, or rating-area?—On loan. Having vested interests, the people would be sufficiently interested in the prosperity of this port to do so. They would know there would be a great increase in the prosperity of the port, and therefore land-values must go up.

25. Then your idea is that you would not so much depend upon a rating-area, but that the people would find the money from their own pockets and lend it to the Board?—I am not prepared to say that. It is a very difficult question to answer. The people about here have landed interests, and knowing that the port would be improved to such a great extent, I believe at a sacrifice they would do so.

26. You have been Chairman of the Harbour Board?—Acting-Chairman.

27. You are in business here, and I suppose you have kept in touch with harbour matters?—To some extent.

28. I suppose you have as many vessels in the aggregate coming here in the aggregate as you used to have?—I do not think so.

29. Then you can explain how it is that if the vessels cannot carry so much on account of the condition of the river, and that there are not so many vessels coming here as there used to be, that there is so much more stuff taken away from Foxton than there used to be?—I understand there is more general merchandise coming in, but less coal shipments.

PHILIP JOSEPH HENNESSY further examined. (No. 9.)

1. *Mr. Weston.*] Do you think if the ratepayers of Foxton had a chance of getting the harbour that they would be agreeable to form a rating-area to raise £10,000 for the purchase of a dredge?—I am quite satisfied that if the port enjoyed the same facilities as what the neighbouring ports of Wanganui and Patea do, and from interviews I have had with County Chairmen and Chairmen of local bodies, there would be absolutely no trouble in the world in getting a rating-area to guarantee interest on money for the purchase of a dredge.

2. Do you think the district would agree to rate themselves to give the Railway Department a huge sum of money?—At any time that I approached the districts when any price was put upon the wharf I was always met with the reply that they would not consider a loan of any kind until some arrangement had been come with regard to the revenue of the wharf.

3. Do you think if it came to raising a sum of £10,000 you could get that?—Yes, I think so. I could see my way to approach men who would put up half.

4. If, however, you had to pay the Government anything like £10,000, I take it, with the amount of wharfages coming to you after allowing expenses to the Railway Department and commission on cost of collection, there would not be enough to pay for the working-expenses of the dredge and interest on it?—I would meet it by imposing a harbour-improvement rate.

5. *Mr. Myers.*] What is the utmost amount do you think you could procure either locally by way of loan for the purposes of this harbour, or that you could get the rating-area to rate itself for?—It depends entirely upon what the Commission will ask us to do. If they asked for £20,000 or £25,000 I would not take it on or ask the district to do so.

6. Suposing it were £10,000?—I do not know whether I am justified in putting any price upon it.

7. Could you get a rating-area?—If it was £10,000 I do not think it would be justifiable. If it was the decision of the Commission that we should pay £10,000 I am satisfied we should be able to do it and form a rating-area.

8. To procure that money?—And sufficient also to purchase a dredge.

9. Would you include Feilding in your rating-area?—No.

10. You know Feilding would not come in?—Yes, I know that.

11. Is this a copy of a letter you wrote to the Minister of Railways [produced]?—Yes, subject to the approval of my Board.

12. It reads, "Foxton, 20th November, 1913.—DEAR SIR,—*Re* Foxton Wharf: Following our conversation in Wellington yesterday, I now make the following offer for the purchase of the wharf for favourable consideration by your Cabinet, subject, of course, to the approval of my Board, and hope you will assist as much as possible to obtain the Cabinet's acceptance of same. Price to be £28,000 after wharf put in thorough repair. Interest 3½ per cent., and ¾ per cent. sinking fund. Payment to be by debentures to Government, extended over a term of years, to liquidate the whole amount. Security over the Board's revenues from wharfages, rents from endowments, pilotage, &c. Rents at present produce £236 per annum. Pilotage and lighting, £410. The net surplus after paying all expenses as shown by balance-sheet enclosed was £205. The assets shown are exclusive of the value of the Board's endowments.—I have, &c., J. P. HENNESSY, Chairman"?—I put that before the district, but they would not accept it.

13. What do you mean?—I put it before the district to get a rating-area.

14. Did you put it before the Board?—Yes.

15. Have you got the minutes of the Board to show what was done?—No.

16. Was there any minute to show you put it before the Board?—Yes.

17. What did the Board do?—The Board was quite prepared, but the district would not accept it.

18. Why did you want a rating-area?—I could not raise the £28,000 otherwise.

19. You were not needing to raise £28,000?—The Government would not accept it without a rating-area. They wanted the security.

PALMERSTON NORTH, TUESDAY, 23RD MAY, 1916.

Statement by Mr. LUCKIE. (No. 10.)

Mr. Luckie: Sir, with my friend's permission, and in support of our contention that the opening-up and development of the Foxton Harbour by either the Board or the Railway Department is only a right and proper thing to do in order to enable the one to carry on healthy competition with the other——

The Chairman: I do not know if the Crown admits anything.

Mr. Luckie: I do not suppose so; but our contention is that that is the right principle to be adopted, because the present position is that the Railway Department holds the Foxton Port by the throat practically, and owing to its present attitude there is no possibility of any money being spent in the harbour, and this attitude is adopted solely for the purpose of preventing any trade going via the Foxton Port in competition with the Railway Department. In that connection I desire to put in the evidence given by the late Hon. Mr. Millar before the Public Petitions Committee of the House upon matters which will be referred to in the second stage of these proceedings—that is, the petition by the Bull's Town Board and several other local bodies whom we represent for an extension of the tram-line from Sanson to Marton. On the evidence taken on that point a favourable recommendation was secured from the Committee.

The Chairman: What is the date of it?

Mr. Luckie: The 24th August, 1910. On the motion to have the proceedings printed it was talked out in the House and was never heard of any more, so I have been to some trouble to get a copy of the evidence.

The Chairman: Do you object, Mr. Myers?

Mr. Myers: I apprehend I cannot object to my learned friend putting this in for what it is worth, but, of course, any expression of opinion that Mr. Millar may have used is also to be put in for what it is worth. In fact, I am obliged to my friend for putting it in, because it shows what I have always understood, that they disputed that the Foxton Harbour question is almost indissolubly intertwined with the other questions that this Commission has to consider.

Mr. Luckie: We do not say anything of the kind so far as that is concerned. The Hon. Mr. Millar said so, and he gives his reasons for it, and the sole reason given was to prevent any trade going through the Port of Foxton by sea. That is what he says himself. There are one or two statements in his evidence which are of considerable importance. It reads:—

PUBLIC PETITIONS M TO Z COMMITTEE.

(Mr. CRAIGIE, Chairman.)

WEDNESDAY, 24TH AUGUST, 1910.

Petition of Bull's Town Board in re *connecting Sanson Tramway with Government Railway-line at Greatford.*

Hon. Mr. Millar: This matter of the Sanson Railway has been going on for some years. Lately there has been an agitation for the line, commencing with the creation of the Foxton Harbour Board and their endeavour to get the Government to find them funds to open up Foxton Harbour. We have no objection to working by agreement. They have got a large portion of our rolling-stock, and by agreement we gave them the running-right over a portion of our line. Now, we do not object to that at all, but the Government object *in toto* to a county that is already well served with railways and roads making a tramway that is going to come into direct competition with the railway, and that is their object, and I prove it. Supposing this tramway were got up to Greatford as they ask, they would tap the whole trade from Marton into Foxton, because if it only came on to their tram-line at Greatford they would take the whole thing down to Foxton and ship. We in New Zealand, as in other countries, have been forced by a railway policy to make a specially low rate to compete with the water. The Manawatu County ratepayers are only a portion of the owners of the railway-lines of New Zealand, and have no more right to get special favours because they are in a wealthy county than any other place. Let me take the first line of argument they are going on. They can do nothing until they get the Port of Foxton properly opened up. We have seen that when the Manawatu Company had their line they had a specially low rate to Foxton, but when the Government took over the Manawatu line it made one classified rate for the whole railway. If they think that the Railway Department is going to sit down and allow their tram-line to take away the whole of the trade from Wellington to Palmerston, or very nearly so, they will very soon find a rate made on the railways to shut the Port of Foxton up. Now, I want to show you some figures. Take Class A, merchandise. The timber that Mr. McKenzie talks about is done. I do not think there is a stick of timber in the district now. Timber has to go in only for building and fencing purposes, and it is chiefly white-pine. Take merchandise: From Foxton to Feilding, via Palmerston North, it is £1 3s. 4d. by train. By the tramway route to Greatford it would be £1 7s. 6d. Greatford is forty-nine miles from Foxton, and the cost is £1 11s. 10d. It would be 18s. 8d. by tramway. Foxton to Marton is fifty-two miles, and the cost is £1 12s. 6d.; by the tramway route, £1 0s. 3d. Now, you see the object of the whole concern. They would take the whole of their stock by rail through from our main line, because the distance is so much shorter, and that is why the Government opposed the thing. They are well served with railways now. There is another branch line to Palmerston North. We have no money to spend on the connection. There are places in the country where the people have hundreds of miles to go.

Mr. Newman: They are not asking you to pay money.

Hon. Mr. Millar: We are not asking the settlers to pay a penny more than any other settlers. You want the Government to make a railway to make Foxton Harbour. Without Foxton Harbour they cannot create trade, and the two are not going to be separated so far as the Government is concerned.

Mr. Newman: That is not so.

Hon. Mr. Millar: The Government is not going to grant a right to any person to construct a private railway. With reference to the siding that one of the gentlemen mentioned, if he knew anything about it he would know that you cannot make a quarter of a mile of railway in New Zealand without an authority by Parliament, and yet this line to Greatford must be eight or nine miles long. You call that a private siding. As far as the Railway Department is concerned we will not give you the connection, and I am speaking now on behalf of the Government. You have heard already the reply of the Prime Minister. We have to conserve the rights of the people of the whole Dominion.

Mr. Nosworthy: Would it pay the Government to take over the tram-line entirely if they could make a good bargain with the County Council?

Hon. Mr. Millar: No. We would lose the whole of our haulage from Wellington. The stuff would go through Foxton, because the ships can compete more cheaply than the railway, and they would only have to pick up the stuff at Foxton. If the Railway Department took the whole line over it would only have to relay it from beginning to end. The present line is all right for light traffic, but the only thing we would have would be the route.

Mr. Nosworthy: Supposing they gave a guarantee that they would not develop the Port of Foxton?

Hon. Mr. Millar: We could not do it then. The tramway would be valueless then: it would never do for our through traffic at all.

Mr. Pearce: You said that if this tramway were connected the Marton produce would go to Foxton. Does not a lot of that traffic go to Foxton now?

Hon. Mr. Millar: I do not believe any produce goes from Marton into Foxton.

Mr. Pearce: Another question I should like to ask you, as Minister of Railways and as a member of the Government, is: It has been shown that the timber trade goes down the Main Trunk, and that the produce of the district, which consists chiefly of oats and grass-seed, goes on to the Main Trunk. Do you think, as a member of the Government, it is right to force these settlers to send this traffic round another sixty miles?

Hon. Mr. Millar: Why cannot they send it to Greatford? They have eight miles cartage to Greatford, where the Main Trunk line is there to pick it up now.

Mr. Pearce: If you have to handle timber two or three times it is a very expensive matter.

Hon. Mr. Millar: I say that, as a private member and as a member of the Government, I will oppose *in toto* the granting of any private rights for railway-construction.

Mr. Newman: We are not asking for that.

Hon. Mr. Millar: You have been asking us to be allowed to put the revenue of the Crown into your own pockets.

Mr. Pearce: 838,000 ft. of timber, without including that for fencing, in one year is a big thing.

Hon. Mr. Millar: Granting it is, do you think the State is going to sacrifice the people as a whole for the sake of that 838,000 ft. of timber? Grass-seed is a very light thing to cart: there are men carting it miles. There is no better district for carting than yours.

Mr. R. J. McKenzie: Other districts have not expended the money we have.

Hon. Mr. Millar: We do not object to the line going on as it has been.

Mr. R. J. McKenzie: The trams in Wellington compete against the Government railway.

Hon. Mr. Millar: We have taken trains off Te Aro now. The Boroughs of Hutt and Petone, containing about twelve thousand people—much larger than yours—have tried to get a Bill through Parliament for a tramway, but they have been refused. Supposing the Government proposed to put a line alongside your tramway, how quiet you would sit.

Mr. R. J. McKenzie: We would be very thankful.

Hon. Mr. Millar: Not if you had to run your own at the same time.

Mr. R. J. McKenzie: We are entitled to serve the interests of the district, and desire to see it progress, and the way to do this is by the best and shortest possible means of carriage.

Hon. Mr. Millar: We intend to look after the interests of the country as a whole.

Mr. Pearce: You do not generally refuse private sidings.

Hon. Mr. Millar: Private sidings are quite a different thing. This is a line of railway probably twenty miles long at least.

Mr. Pearce: And the whole reason for the Railway Department refusing is not because you think it would not benefit the district, but because you think it would injure traffic on the Government line.

Hon. Mr. Millar: Yes, as a whole.

Mr. Nosworthy: How about an arrangement so that outgoings must go on to the Government line, and not to Foxton?

Hon. Mr. Millar: They could not and would not bind themselves to that. As long as it is cheaper to take by steamer they do not care if the railways do not take a package.

Mr. Nosworthy: Do you find the rolling-stock free?

Hon. Mr. Millar: We give them trucks.

Mr. Nosworthy: Are the rates the same as on the Government line?

Hon. Mr. Millar: We do not interfere with the local bodies' rates. We do not get anything except what we charge for their trucks.

Mr. Forbes: You look upon this line, Mr. Millar, as an opposition line?

Hon. Mr. Millar: Exactly—a line for the benefit of a particular section of the people.

Mr. Duncan: Do you think the tramway has been an advantage to the settlers of the district through which it passes?

Hon. Mr. Millar: To the settlers, but not to the Railway Department—at least not materially, because the stuff is sent down to Foxton and shipped.

Mr. Duncan: Does not the Government desire to give settlers as cheap a transit as possible?

Hon. Mr. Millar: Not at the sacrifice of the people as a whole. If you approved of that you would be giving a particular advantage to the people of the district. At Oamaru we ran the railway in competition with the Harbour Board, and we will do the same thing to Foxton to-morrow if we have to.

Mr. Nosworthy: Will Government competition absolutely kill Foxton?

Hon. Mr. Millar: Yes, as far as the Port of Foxton is concerned. They begged and prayed of us to take our coal from Foxton.

Mr. Duncan: I was just wondering, Mr. Millar, if you had ever looked upon the taking of the tramway as a business proposition. It would help to develop the country, and would be a feeder for the main line.

Hon. Mr. Millar: Have you been through portions of that country?

Mr. Duncan: Yes.

Hon. Mr. Millar: Can you settle it much more than it is settled at the present time?

Mr. Duncan: It is hard to say. Do you not think it would be a good business proposition for the Government to consider the taking of the line over, and connect it with a view to extending it to Levin?

Hon. Mr. Millar: It would be of no use. They are making a loss on the tramways at the present time, and they are charging Government rates.

Mr. Duncan: And it is not desirable to allow the connection for the reason that it would divert traffic from the main line.

Hon. Mr. Millar: If the tramway were only going to take goods for those people on to the main line there would be no objection at all.

Mr. Duncan: It seems to be a serious thing that the policy of the Railways is in the direction of making the lines pay. It appears to be the first consideration, and there is no consideration in the direction of giving the settlers cheaper access to a port.

Hon. Mr. Millar: That is absolutely incorrect. You cannot show me any part of the world where there are greater facilities for the farmers. If we take the railway charges for Australia we can get £2,000,000 a year more than we do now.

Mr. Duncan: Your reason for objecting to this connection is that it would divert some of the present traffic from the railway?

Hon. Mr. Millar: Yes.

Mr. Duncan: You give no consideration to the fact that the settlers in that part of the district would have a cheaper means of getting their produce to market.

Hon. Mr. Millar: It would affect the whole of the main lines. As soon as you agree to certain concessions the people all over the country want the same concessions granted, and that is why we are trying to prevent, as far as possible, coming into competition with Foxton. If we have any trouble with Foxton we will deal with Foxton in the same way that we did with Oamaru.

Mr. Duncan: I have much sympathy for Foxton.

Hon. Mr. Millar: You cannot disassociate the Foxton Harbour Board from the Foxton Tramway.

Mr. Nosworthy: The harbour lives on the tram.

Hon. Mr. Millar: Yes.

Mr. Newman: I understand your objection to this is entirely because it would divert traffic to Foxton instead of to Wellington.

Hon. Mr. Millar: Yes, a large portion.

Mr. Newman: It is part of the policy of the Government that such a thing should not be done?

Hon. Mr. Millar: Certainly.

Mr. Newman: I suppose it is part of the policy of the Government to develop marine matters, and it is part of the duty of the Minister of Marine to develop the colony's marine?

Hon. Mr. Millar: Yes.

Mr. Newman: As Minister of Marine you would consider the advantages to the Port of Foxton?

Hon. Mr. Millar: They have a Harbour Board there. We do not interfere with them. The port does not belong to me at all. Foxton is a harbour of New Zealand now, and appears under the Harbours Act as having a Harbour Board.

Mr. Newman: If this connection were made you would still make it impossible to ship at Foxton in preference to Wellington?

Hon. Mr. Millar: Yes.

Mr. Newman: It is marvellous. The Government candidate got a few hundred votes in Foxton.

The Chairman: Politics do not come into the discussion.

Hon. Mr. Millar: How can you bring politics into it? A Government member had it in a Bill, but it was declined by the Government.

JOHN CARVILLE YOUNG sworn and examined. (No. 11.)

1. *Mr. Weston.*] You are manager of the produce department of Hodder and Tolley?—Yes.

2. You are giving evidence before the Commission not only on behalf of Hodder and Tolley (Limited), but also on behalf of Barraud and Abraham, Watson Bros., E. H. Crabb, Dalgety and Co., Manawatu Mills Company, A. J. Palmer and Co., and Goldingham and Beckett?—Yes.

3. You have obtained from them estimates of the amount of produce, including grass-seed, that would be imported through Foxton if the conditions were suitable?—Yes.

4. And also the saving of freight that would be effected?—Yes.

5. That is, I think, on the basis of obtaining a steamer from the Canterbury Steamship Company from the South at 12s. 6d. per ton freight?—Yes.

6. This is the statement you have compiled, and the signatures at the bottom are those of the persons signing same?—Yes. [Statement produced and put in—Exhibit L.]

7. What is the difficulty at present that prevents you making use of Foxton?—The boats will not go there.

8. Has that difficulty increased of late years?—It has a little, yes.

9. I think there is a difficulty about getting the boats insured: is that not so?—I have no experience of that.

10. *Mr. Myers.*] This statement, I understand, sets out the average quantity of goods that you import from Canterbury?—The South Island.

11. What parts of the South Island?—All parts except the West Coast.

12. What do you mean by "all parts"—Marlborough?—Canterbury, Otago, and Southland.

13. How do you get those goods in now to Palmerston?—Principally via Wanganui and partly by Wellington.

14. Do you mean by train all the way from Wellington?—Yes.

15. *The Chairman.*] Do they come by train from Wanganui to Palmerston?—Yes.

16. They would have to be carted from Greatford, or Sanson, or Bull's?—Yes. They come straight by train.

17. *Mr. Myers.*] Do all those goods come to Palmerston?—To Palmerston and the districts of Palmerston.

18. Within what radius of Palmerston?—Twenty miles.

19. That, of course, includes Feilding?—Yes.

20. Does it include Marton?—No.

21. When you get these goods from Southland will you tell the Commission how they come?—At present they come to Wanganui direct by boat from the Bluff.

22. In what company's boats?—Principally the Canterbury Steamship Company's boats.

23. How many vessels has the Canterbury Steamship Company now?—They have three on the Wanganui run.

24. Their head office is in Christchurch?—Yes.

25. I suppose they bring other cargo to Wanganui as well as your cargo?—Yes.

26. Do you know how many of those three ships of the Canterbury Steamship Company's go to Foxton?—They do not go at all to my knowledge.

27. The class of goods you get from the South Island are not what you would call dead-weight goods—not like coal?—No, all in sacks.

28. Then if the Canterbury Steamship Company's ships or any of them go to Foxton, can you understand how it is that none of your goods come to Foxton?—I have endeavoured to get the Canterbury Steamship Company to send their boats to Foxton, but they have advised that they would not do so, as they would not risk the loss of time at the Foxton bar and river. I am not aware whether they occasionally come in. They may come in once or twice, but they dodge it as a rule.

29. Does your firm get any goods from Foxton at all?—No.

30. From Wellington?—No. We import very little from Wellington.

31. When you get goods from Marlborough in the Canterbury Steamship Company's vessels you get them from where?—They go to Wanganui.

32. Where do they come from—Picton or Blenheim?—Picton

33. Did you not say before that you got some goods from Wellington by rail all the way?—Yes.

34. Where do they come from?—The South Island.

35. Are those goods conveyed to Wellington by the Canterbury Steamship Company's vessels?—Some of them are, and some by the Union Company's boats running to Wellington.

36. From which parts of the South Island?—Southland, Otago, and Canterbury.

37. I suppose you cannot give us any idea of the proportions of your importations from the South Island that come from Wanganui, and from Wellington, and then by train, respectively?—I could give you an idea. There is 75 per cent. through Wanganui.

38. Supposing you got goods, say, from Southland in the Canterbury Steamship Company's vessels to Wanganui, what is the freight?—1s. 1d. per sack.

39. What does that work out at per ton?—15s. 2d. I am taking such lines as oats, but the other lines vary but slightly.

40. What is the lowest?—That would be the lowest—15s. 2d.

41. Going up to what?—All grain would be the same. There is a slight increase in grass-seed. The grass-seed represents the minor part of the importations.

42. What are the charges in Wanganui per ton?—The wharfage is 3s. per ton.

43. Are there any other charges for handling?—No.

44. What is the freight by railway to Palmerston?—9s. 2d.

45. *The Chairman.*] How many miles is it?—I am not sure exactly—it is about sixty miles.
46. *Mr. Myers.*] Are those the total expenses?—Yes.
47. What is the freight to Wellington from Southland?—The same freight—15s. 2d.
48. And what is the railage from Wellington to Palmerston?—10s. 8d.
49. Is there any wharfage charge?—Yes, 2s. 8d. per ton of ten sacks. That is about 4s. per ton to Wellington, and the cartage 2s. 3d. to 1d.
50. *The Chairman.*] There would be cartage in the other case?—No; the goods are discharged into the shed.
51. *Mr. Myers.*] Are there not some railage charges apart from the 3s. for wharfage?—No.
52. You say the charges are 15s. 2d., 10s. 8d. railage, 4s. wharfage, and 2s. 3d. cartage?—Yes; that is £1 12s 1d. as against £1 7s. 4d.
53. That is, coming from Wellington as against Wanganui?—Yes.
54. You do not get any goods from Foxton at all, do you?—No, practically nothing.
55. So that you cannot tell us what the railage from Foxton to Palmerston is on the same class of goods?—Yes, 5s. 1d.
56. What does that include—anything but the railage charge?—No, just the railage charge. The difference between Foxton and Wanganui is 4s. 1d. There is a further advantage in favour of Foxton of 1s. 6d.
57. Supposing Foxton has to spend money in dredging and that sort of thing, would you not expect the wharfage charge to go up?—I presume so. The margin between Wanganui and Foxton is substantial—it is 5s. 5d. per ton.
58. You would expect the wharfage to go up?—On the supposition you put forward that expense had to be incurred in dredging, &c.
59. You have been in Palmerston a good many years, I suppose?—Yes.
60. Do you happen to know what the Manawatu Railway Company used to charge for freight on the same class of goods you are speaking of from Wellington to Palmerston?—No, I could not say. That was before my time.
61. How long have you been in your present position?—I have been here twenty years, but in my present position about ten years. I do not know what they used to charge on the same class of goods.
62. And, of course, if you could manage to get competition between the Government as to railage from Wellington to Palmerston and the shipping freights from Southland to Foxton, you would be all the more satisfied—it would be so much the better for you, would it not?—Yes.
63. Supposing you could get your goods through Wellington at a trifle less by rail than shipping to Foxton and then railed to Palmerston, you would take the Wellington–Palmerston route, naturally?—Yes. I think there is this further factor, that it is difficult to define the potential value of Foxton being in a proper condition. The potential value cannot be defined in figures. We are only taking the business that has been done hitherto. I consider that if the river and bar were suitable other business which has not been included here would come in, all tending to an increased income to the Board and making it considerably easier for shipping, and presumably cutting down the average running-expenses.
64. You do not know, of course, the draught of the Canterbury Company's vessels?—I have an idea as a layman. I am not an expert in regard to it.
65. We may take it, at all events, as a result of your evidence that if a substantially good port were made at Foxton all the goods for this district would come that way from the South Island unless the Railway Department could compete?—The trade always follows the cheapest route.
66. So that the Railway would lose trade unless they brought their rates down to compete with the shipping freights?—I could not say. Probably the rate per mile which the Railway now charges from Foxton–Palmerston is greater income to the Railway Department than the rate per mile they now charge from Wellington to Palmerston.
67. *The Chairman.*] You mean they would get more money for the work done than taking it by a longer line?—Yes.
68. *Mr. Myers.*] But they bring up a considerable quantity of goods from Wellington to Palmerston and the neighbourhood, do they not?—Yes.
69. If the Port of Foxton were considerably improved I take it that the goods would come through Foxton by sea unless the Railway Department still further reduced its rates from Wellington–Palmerston in order to compete?—Yes.

MELDRUM ALFRED ELLIOTT sworn and examined. (No. 12.)

1. *Mr. Weston.*] What are you?—An exporter of frozen meat, wool, tallow, hides, pelts, and skins.
2. Carrying on business in Palmerston North?—Yes.
3. You are speaking now on behalf of people engaged in that class of business?—I am.
4. Supposing you could get a reasonable port at Foxton, is this statement [produced] an estimate of what you think would be done through that port?—That statement contains the number of bales of wool shipped from those various stations for the year 1915–16? [Statement put in—Exhibit K.]
5. A much larger quantity of wool would go through Foxton if you could get a better port, would it not?—Undoubtedly.

6. *The Chairman.*] I suppose the mass of the trade goes by rail?—The greater quantity of it goes by rail at the present time from those various stations. That is the total number of bales from those stations. Some may have gone via Foxton. I have taken those stations which could be easier served by Foxton.

7. *Mr. Weston.*] What is the great difficulty with the port at Foxton at the present time?—The unreliability of getting goods away.

8. For instance, in the case of wool you have to ship by a particular steamer?—Yes; it is sent to Wellington to catch a particular steamer, and if it is sent to Foxton it may be hung up there for a week or a fortnight.

9. You cannot really depend upon the boats getting down the river and over the bar?—Yes.

10. *Mr. Williams.*] Is that a new thing?—It has got gradually worse than it was.

11. *Mr. Myers.*] Do I understand that some of the goods in this statement of yours have gone by rail all the way to Wellington?—Yes.

12. And some have gone to Foxton and then by sea?—Yes.

13. *The Chairman.*] Would any goods, say, from Dannevirke, Woodville, Hunterville, or Taihape go to Foxton?—Yes, I think some would, but a small quantity. By far the greater bulk of this wool has gone by rail to Wellington.

14. *Mr. Myers.*] You can say that when the Manawatu Railway Company was in existence the whole of it used to go by rail?—No, I should say not.

15. Do you know?—No, I do not.

16. Do you hold any official position here, such as Chairman of the Chamber of Commerce or anything of that sort?—No, not at the present time. I have held the position.

17. I understand what you people in Palmerston want eventually is a port at the mouth of the river, do you not?—Well, I am not prepared to enter into that. We want better facilities for shipping.

18. Is it not a fact that what the Palmerston people are aiming at is a port at the mouth of the river?—I say we want a port at Foxton. I am not prepared to say at which point.

19. Is it not a fact that this question of a port at the mouth of the river has been discussed at Palmerston over and over again?—People have talked about it, but it has not been officially discussed.

20. You have had no data to aid you in coming to a decision as to whether that is feasible or not?—No. As far as I am aware the matter has not been publicly discussed.

21. Has the question been discussed in Palmerston as to whether or not Palmerston should be placed within a Foxton Harbour rating district?—Yes, it has been.

22. And I think the Palmerston people have always been averse?—I think not. If there was a good port at Foxton I do not think the Palmerston people would be averse to being rated.

23. But you must have a rating district before you have your port if you are going to incur very much expense down there?—Certainly, they would require to know what expense was to be incurred before agreeing to be rated.

24. Is it not a fact that the Foxton people have asked you over and over again to join in a rating district and that the Palmerston people have always refused?—No.

25. Have you ever been asked by the Foxton people?—We have not been asked definitely to agree or not to agree—not asked officially.

26. Not by Mr. Hennessy?—I think not.

27. You are not a member of the Borough Council?—I am not.

28. So that you cannot tell us whether this question of a rating district has come before the Borough Council?—No.

FRANCIS STRACHAN GOLDINGHAM sworn and examined. (No. 13.)

1. *Mr. Weston.*] You are a member of the firm of Goldingham and Beckett (Limited), Palmerston?—Yes.

2. I think you have been asked to give evidence on behalf of yourself and Barraud and Abraham with regard to general merchandise, groceries, benzine, kerosene, cigarettes, and wire?—Yes.

3. You are the only two wholesale firms carrying on business in those lines in Palmerston North?—Yes.

4. Though there are some retailers who import the same class of goods direct themselves?—Yes.

5. What do you find generally with regard to those goods: is it cheaper for you to import through Foxton than to import by rail from Wellington?—For goods coming from Wellington it is cheaper to import via Foxton for classes A, B, C, D goods.

6. What is the difficulty in the way of obtaining all those classes of goods through Foxton?—The irregularity of the steamers.

7. For instance, if you have an order for goods of that class to be delivered, say, at Feilding, or other portions of the district, you cannot guarantee a punctual delivery through Foxton?—No, not now.

8. *Mr. Williams.*] Does that imply that you could at one time?—Yes, I think you could be much more punctual a few years ago.

9. Could you give any reason for that?—Yes, the boats are very much more frequently stuck up in the river than formerly.

10. *Mr. Weston.*] This is a comparative list of the freights and railages you have compiled with regard to certain classes of goods [produced—Exhibit P]?—Yes.

11. There are two other classes of goods—flour and sugar?—Yes.

12. Flour, I think, comes from the South Island?—Yes.

13. How do you get that up at present?—Via Wanganui, in the steamers of the Canterbury Steamship Company.

14. Are you able to get direct shipments of flour to Foxton?—Not now.

15. What was the last boat that used to bring up shipments of flour?—The "Wootton."

16. Has she given up calling?—Yes. I do not know where she is now. I think she is trading between Lyttelton and Wellington.

17. The shipowners will not risk the likelihood of the boats being held up for a week or so in Foxton?—Yes.

18. Is there any difficulty about the insurance of goods and the boats?—I do not know anything about the vessels. We do not insure our goods. We have our own insurance cover and carry the risk ourselves.

19. I suppose on this question of flour your evidence is the same as Mr. Young's—you would prefer to get the flour up direct from Lyttelton or Timaru than to have it sent to Wanganui and then railed?—Yes.

20. You heard Mr. Young's evidence on that point?—Yes.

21. Now, with regard to sugar, how do you get your sugar at present?—It comes to Wellington, and is then transhipped from Wellington to Foxton by boat and then railed here.

22. Would there be any chance of getting a direct freight from Auckland if the port was improved?—Yes.

23. How do the Wanganui people get their sugar?—Direct boat from Onehunga.

24. That goes to the Wanganui City Wharf?—Yes.

25. With the Foxton bar improved you think you could get your sugar direct from Onehunga?—Yes.

26. Would that mean a big saving?—Yes, it would mean a saving on the present method of about 10s. 6d. a ton. That is allowing a very liberal amount—say, £1 per ton—for sea freight, which I do not suppose it would be from Onehunga to Foxton.

27. *Mr. Myers.*] I should suppose from your evidence that you have found it necessary to import to Palmerston more and more goods by rail and less and less by steamer during the last few years?—No.

28. Then, have you been importing more by steamer than you used to?—Well, owing to the irregularity I have had to open a depot at Foxton to keep goods there. We could not do any business if we had to get our goods by rail.

29. You have opened a distributing store at Foxton?—Yes.

30. And you make that your bulk store?—It is a depot; our bulk store is here.

31. I take it you distribute from there to some extent to your customers?—Yes, we distribute certain articles which we had to keep there on account of the steamer being held up, goods such as kerosene and sugar. It was built specially for that.

32. Is it correct to say that although the steamers have been held up you have been importing more and more goods year by year through Foxton?—I do not know quite what you mean. We are naturally getting more goods via Foxton because the business has increased, and the Palmerston business has increased.

33. Your importations then have increased due to your increased business?—Yes.

34. Can you tell us whether or not your importations by rail from Wellington have increased or decreased?—I think they have increased in this class of goods.

35. In all classes of goods you deal in?—Yes, they have increased.

36. How long have you been in business here?—On my own account, thirteen years as a wholesaler.

37. I suggest to you that during the last eight years your importations through Foxton—that is to say, sea-borne from Wellington—have doubled: would you say that?—I could not tell you that without referring to my books, but it would take a day or two to find out, because we are shifting to another building.

38. Could you by any research also tell us to what extent your importations by rail from Wellington to Palmerston have increased or decreased year by year?—Yes. I understand that when we get certain classes of goods—for instance, A, B, C, and D—by rail it is because we have to, as we cannot get them via Foxton, and it is a great loss to get them by rail.

39. *The Chairman.*] A, B, C, and D goods are general merchandise?—Yes.

40. *Mr. Myers.*] But the same thing would apply to years gone by as to the present time—you would naturally get goods by rail from Wellington when you could not get them by sea?—The goods that are suitable, yes.

41. Does that observation apply to the days when the Manawatu Railway Company were carrying on business?—Not to such a great extent.

42. Is that because the Manawatu Railway Company were bringing goods up at a lower rate than you could get them by sea?—No; they did not bring them up at a lower rate.

43. Did they bring them up at the same rate?—Certain goods they did.

44. Well, in those days did you not bring up those goods by rail?—Certain goods we did.

45. In preference?—Yes.

46. Of the train, of course?—No, not necessarily the trains, because the trains are hopeless now: they are too unpunctual. We could not get them up at the same time as we could by the Manawatu Company.

47. *The Chairman.*] Was there a difference in the train service between the Manawatu Company and the Government?—Yes. The Manawatu Company did not have so many trains coming as the Government have now. The Government have so many passenger-trains running that it is difficult to get even goods up by rail punctually.

48. The Government have the Auckland trains going over the line, and that affects you—is that what you mean?—Yes.

49. *Mr. Myers.*] You have goods-trains from Wellington to Palmerston every day, do you not?—I do not know. I know of a mixed train, but I do not know of goods-trains. I do not think so.

50. Will you forward to the Commission a schedule giving year by year since 1908 the aggregate tonnage of goods that you have received through Foxton and direct by rail from Wellington respectively?—I do not know whether I could do it just now. It may not possibly convey anything to you. If our business was actually of the same turnover every year then it may convey something to you.

51. *Mr. Weston.*] The district is growing every day, I suppose?—Yes.

52. And business has grown particularly during the last ten years?—Yes.

53. And I suppose traffic both on the railway and through the port has naturally increased?—Yes.

ERNEST HUGH CRABB sworn and examined. (No. 14.)

1. *Mr. Weston.*] You are a coal and general merchant carrying on business in Palmerston?—Yes.

2. And you were formerly a member of the Borough Council?—Yes; I am senior Councillor at the present time. I have been a Councillor for the past three years.

3. You are speaking on behalf of the coal-merchants in Palmerston?—Yes.

4. And this statement [produced] has been compiled by you?—Yes. [Statement put in—Exhibit N.]

5. *The Chairman.*] Where do you get your coal from?—From the west coast of the South Island.

6. Is the Waikato coal being introduced here?—Yes, but I am not taking that into account at all. I am just dealing with the sea-borne coal.

7. I suppose you do not get any coal from Newcastle?—Yes, large quantities, partly from Wanganui and partly from Wellington.

8. Does the Wellington coal come by steamer or by rail?—It comes from Newcastle direct to Wellington and then by rail.

9. *Mr. Weston.*] In this statement you have put in you estimate the amount of coal imported into New Zealand other than Waikato coal for Palmerston at 22,000 tons altogether?—Yes

10. Has the amount of coal imported through Foxton fallen off?—Most decidedly.

11. Why?—Because the harbour is so bad that you cannot depend upon it. The men will not go near the port as long as they can get any other work to do. I have a sheaf of letters from the Blackball Company, which I represent, in regard to the matter during the last six months.

12. The shipowners will not send their boats there?—No.

13. In the old days did you import much coal through Foxton?—Yes; the first year I took over the agency I used to get a steamer on every tide, but lately it has become more difficult.

14. In 1911–12 your company had the railway contract for delivery of 5,000 tons of coal at Foxton?—Yes.

15. Were you able to deliver that?—No, not a large portion of it. We could not get sufficient steamers to take it.

16. With regard to the West Coast Trading Company, this is a statement you desire to make with regard to the position of the coal-wharf erected there and how it came to be erected?—Yes. [Statement produced and put in—Exhibit O.]

17. In that case, although you erected the wharf yourselves, you are paying rent and also paying wharfage in addition?—We had to pay rent to the Government for the land on which it was built. We had to pay for constructing the siding, which they used more than we did, and to pay a rent of £26 per annum, and when the Harbour Board insisted on collecting wharfage they made us pay wharfage as well.

18. *The Chairman.*] The wharfage was for the use of your own wharf?—Yes. The Minister of Railways said to me that the Harbour Board was right in collecting the wharfage, because the wharf was on Harbour Board foreshore and bed of the river.

19. *Mr. Weston.*] That was the late Mr. Millar?—Yes. I had several interviews with him in regard to the matter.

20. A large quantity of coal is used here by the borough for the gasworks?—Yes, 8,000 tons.

21. The greater portion of that is Newcastle?—No; 6,000 native coal and 2,000 Newcastle.

22. And you think you could make a saving if you brought native coal direct into the Foxton Port?—If we could get a regular service of boats similar to that at Wanganui we would save 2s. a ton on present prices.

23. That is the class of boat that goes up to the city wharf?—Yes.

24. *Mr. Myers.*] So far as the importation of coal is concerned into Palmerston, you blame your trouble on the condition of things at Foxton: is that so?—Of course, we cannot get coal through Foxton, and we have to get it through other ports.

25. Have you been able to get all the coal you require from the West Coast?—Yes.

26. Has not your company had difficulty in fulfilling its orders?—It has never kept me short a day. I have always been able to get the coal I require.

27. Are you manager here for the company or in business on your own account?—I am in business on my own account, and agent for the West Coast for Blackball Coal Company.

28. Do you purchase from them or do they consign to you?—I purchase from them.

29. I suppose it would be no use their sending coal to you unless they sent you the whole cargo?—That is so.

30. Do you sometimes share a cargo with anybody else?—No.

31. Do you say you only get the whole cargo of any particular shipment?—I can always dispose of the whole cargo of any particular ship.

32. That is not the point. Does the company send coal in a vessel some of which coal is consigned to you and some to somebody else?—The only time when there was any difficulty in that was in former days when they had a contract with Foxton. I used to get what proportions I wanted, but in smaller quantities.

33. When they send vessels to Wanganui do they send part of the cargo to you and part to other people?—The coal at Wanganui is always landed in their own steamers at Castlecliff in quantities of 2,000 tons, and in that case they bring up a certain amount of Paparoa coal.

34. They do not go to the wharf?—No, unload at Castlecliff.

35. You only have a certain portion of the coal?—That is so. There is not anything like the amount of coal required in Wanganui, apart from the railways, that there is in Palmerston.

36. Would it surprise you to know that the Railway Department has had great difficulty in getting coal from the Blackball Company?—I do not know, but the point is that the coal the railways require is all screened coal. The coal chiefly used by the suppliers outside is small coal, and consequently the more there is for the railways the more there is for me.

37. And therefore the fact that the railways used to get Blackball coal at Foxton was helpful to you, was it not?—You mean, in that I could get in smaller quantities if I required it?

38. Yes?—Yes, sometimes.

39. And is it not a fact that most of the vessels that went to Foxton with Blackball coal had on board some for the Railway Department and some for you?—Yes, that is so.

40. Have you had whole cargoes consigned to yourself?—Yes, repeatedly. Most of it was.

41. Up to what tonnage?—Up to 180 tons. That is the largest steamer that can get in there now. It used to be 350 tons.

42. What is the largest cargo consigned to yourself?—180 tons. That is the biggest steamer I could get.

43. At any time?—Yes.

44. For how many years back are you speaking?—I have only been in business on my own account for four years back. Before that I was manager of the West Coast Company. The largest steamer I could get in was 180 tons. I could have taken more if they could have given it to me.

45. That is not only within the last few months, but within the last few years?—The matter is getting worse, because I cannot get a steamer in now. They will not touch it.

46. What are the Blackball Company's steamers?—They never come near Foxton; they are too large.

47. What were the vessels that used to bring coal for you to Foxton?—Chiefly the Anchor Company's boats—the "Kennedy" and "Kaitoa."

48. Do they go to Foxton at all now?—Very rarely.

49. They trade still between Wellington and the west coast of the South Island, do they not?—Yes.

50. And find plenty to do without going to Foxton?—Of course, I am not in a position to say.

51. Is the trade in this district for Waikato coal increasing?—Not for steam—it is for household coal. The railway brings down the Waikato coal for 11s., and it costs us 5s. to bring it up here from Foxton.

52. You get Newcastle coal through Wanganui?—Yes.

53. What size steamers bring it down?—I think the "Inga"—500 tons.

54. So that even if the harbour at Foxton was improved you would not expect to get those vessels going up there?—I prefer not to express an opinion as to what the harbour improvements would be. I understand you have an engineer's report on that.

55. The Railway Department brings the Waikato coal down to Palmerston?—Yes, at 12s. a ton now.

56. *The Chairman.*] What do they charge as freight on Waikato coal here?—It used to be 11s. 7d., but there is 10 per cent. added on now. That would be 300 miles, and the charge was 5s. 2d. for bringing it the twenty-four miles from Foxton.

57. *Mr. Myers.*] Can you say what Waikato coal sells at here retail?—No, I am afraid I could not. I am rather out of touch with the retail trade—my trade is entirely wholesale; but I could get the information.

58. You do not know how it compares with the price of West Coast coal?—It is considerably cheaper. You cannot use the Taupiri coals for steam purposes.

59. But it is coming into competition here with the West Coast coal?—The general run here prefer the West Coast coal.

60. Do you know the Railway Department uses Waikato coal for steam purposes?—I am not in a position to say what the Department does.

61. At all events, we may take it that for household purposes the Waikato coal is competing in Palmerston with the West Coast coal?—Yes.

62. And successfully?—Yes. The Blackball Company at present is supplying one-half of the people in the district.

63. *Mr. Weston.*] The telegrams and letters you have produced show that you cannot get freights?—Yes.

64. The Anchor Shipping Company dodge the Foxton Port?—Yes, and Levin and Co. do not like to let the "Awahou" come in.

65. I notice in the telegrams and letters they always speak of engaging freight for the next spring tide?—Yes.

66. I suppose that is the only time it is possible to get coal cargoes in?—Yes, on the spring tides.

67. In your position as a Borough Councillor, can you say what the feeling in Palmerston is with regard to a harbour at Foxton and as to a rating-area?—I think I am justified in saying that 75 per cent. of the commercial men of Palmerston, and also the whole of the Borough Council, are in favour of Foxton controlling its own destinies, and we are quite prepared to take any risk in connection with it.

68. *Mr. Williams.*] You are prepared to join in a rating-area?—Yes, quite prepared.

THOMAS RAYNOR HODDER sworn and examined. (No. 15.)

1. *Mr. Weston.*] You are a member of the firm of Hodder and Tolley (Limited), and president of the Palmerston North Chamber of Commerce?—Yes.

2. Would you as president of the Chamber of Commerce state shortly the attitude the district is taking up towards the Foxton Harbour?—I would like to say that for many years past the matter of the Foxton Harbour has been before the Chamber, and we have had many resolutions passed by the Chamber with regard to it. I will read what was perhaps the last: "That this Chamber reaffirms its former decision that in the public interest the Foxton Wharf should belong to the Foxton Harbour Board, inasmuch as the present position is a decided obstacle to the progress of this town and district owing to the fact that the profits derived from it have not been expended in terms of the Act by the Railway Department to improve the Manawatu River as a port; that the executive of the Chamber be requested to prepare evidence in support of the above resolution and submit same to the Commission."

3. You consider that under the Harbours Act all the wharfages should be put back into the harbour?—Yes. I may say that this matter has been before the Chamber for many years, and we business people in Palmerston consider that the Port of Foxton is the natural heritage of this west coast. The business people have waited upon us from time to time to get us to bring pressure to bear upon the Foxton Harbour Board to try and acquire the wharf. We have done that from time to time, but have not met with a very great deal of success. We consider that the Government should virtually have handed over the Foxton Wharf for next to nothing, considering the amount of revenue that they have derived in times past from this particular port. Every one in this room must know, sir, that the Port of Foxton was the only port with this west coast many years ago. The first tram-line that was ever made on this coast was made there from Foxton to Palmerston. The first line of rails that was ever brought into this North Island was brought to Foxton and laid from Foxton to Palmerston North. Originally it was a tram-line. The first railway-engine ever brought into the North Island was brought via the Foxton Port. It was not very much of an engine, certainly. It was known as "The Skunk" and "The Coffee-pot," because it used to be two days on the road, but still it was the first engine and did good service. All the totara bush that surrounded this district of Palmerston North, Terrace End, and Hokowitu was sawn and delivered via Foxton to Wellington for the building, I have no doubt, of the wharf and public buildings there. It was the only means of communication by which the Government were able to place the immigrants, such as Scandinavians and Danes, that came to this coast. It has been the means of swelling the coffers of the Government Department for years and years past, and we as the business men and citizens of Palmerston North and district think that the Government, seeing that they have derived very much revenue from this particular port, should see their way to not only allow the Harbour Board to acquire the harbour and work it, but in addition to give them a good endowment as well.

4. *Mr. Myers.*] I suppose you know that the Railway Department has made a lot of money out of the traffic between Levin and Marton?—Of recent years, yes.

5. Do you not think that the Railway Department now, by the same process of reasoning you have given us, should make the Main Trunk line of railway from Levin to Marton?—I am not offering any opinion in regard to the railway.

6. But I am asking you?—I am speaking on behalf of the Chamber of Commerce with regard to the Foxton Harbour Board.

7. Has not the Chamber of Commerce also considered this question of the proposed line from Levin to Marton?—The Chamber of Commerce has considered it.

8. And does not the Chamber oppose it?—The Chamber of Commerce does oppose it.

9. Do you not see that the same process of reasoning may apply to the one as to the other?—No, not altogether.

10. Well, is it not a fact that if the Chamber of Commerce, which consists of a number of mercantile men, takes the view which it does, it is only the view of those mercantile men?—Not altogether. The business people of Palmerston North and the Chamber of Commerce consider the interests not only of the people of Palmerston, but the whole district.

11. And supposing the merchants do save 1s. or 2s. per ton in freight, who gets it—the merchants or the general public?—The general public benefit.

ALBERT JAMES KELLOW further examined. (No. 16.)

1. *Mr. Weston.*] The question was raised after you gave your evidence in Foxton as to how it was that, although you said the port was not so workable as it had been in the past, still the amount of stuff coming in and going out of the port was growing. Can you explain to the Commission how that paradox occurs?—It is not a paradox. In years gone by the vessels used to come into Foxton, and you can see by the figures that they carried 10,000 tons in twelve

months. To do that they were not filled to the full capacity. They only occasionally carried full cargoes in previous years. The "Queen of the South" may come up to Foxton in those days with 80 or 90 tons on board, and she could keep the traffic going quite well; but now, of course, during the neap tides we cannot work at all for six or seven days, during which time the amount of cargo for Foxton is accumulating on the Wellington Wharf, being transhipments from other ports. To overcome the difficulty we put on an extra boat filled to the full capacity for overtaking the work.

2. And you rush boats in at the spring tides?—Yes, and carry very light loads on neap tides.

3. You do the quantity of the trade extending over a period, but you cannot do it at regular intervals?—Yes. For instance, the "Queen of the South" is in port now. She came in on the Sunday, drawing 7 ft. 9 in. That is quite a low draught for the time of the tides. She is now stuck in port. A fresh breeze came down last night, and on account of the shallowness of the bar it has created such a big sea that she could not sail last night, and very likely will be in port for five or six days; whereas if there was any depth of water on the bar she could have sailed last night. The "Kennedy" is also there. She came in with 145 tons of cement, drawing 7 ft. 6 in., and she was bumping on the bar for twenty minutes, and things were very serious for a while.

4. With regard to hemp and tow, is that a heavy cargo for its bulk?—No, it is a very light cargo. The "Queen of the South" can only take about 90 tons dead-weight of hemp. She is carrying a big load at that weight.

5. *Mr. Myers.*] You say there was a rough sea on the bar yesterday?—Last night, yes.

6. The ships could not work the bar?—The "Kennedy" worked it, but she was stuck there for twenty minutes owing to the shallowness of the bar.

7. Can you give us any idea of the full capacity of the "Queen of the South"?—On measurement the cargo would be anything up to 220 tons, and on dead-weight I suppose she would carry about 150 tons.

8. And what is the other vessel?—The "Awahou." Her full capacity in coal is 335 tons, and in measurement cargo about 450 tons. We have never filled her yet, because we dare not do so.

9. I think you explained to Mr. Weston that the carriage of the greater quantity of cargo by the vessels you are using was due to the fact that you loaded them to their full capacity at spring tides?—Up to the draught allowed. We do not load them to their full capacity of 9 ft. when there is only 7 ft. on the bar.

10. You do not make any more trips than you used to make?—No. Of course, in the olden days the "Queen of the South" might lie in Wellington for two or three days waiting for cargo.

11. And I suppose even now your company does not send its boats away from Wellington unless it can send them pretty full?—Yes, it does.

12. But they are nearly always full coming up from Wellington?—Pretty well. They are filled to the capacity which the draught allows on the bar. We could put much more in them if we could get the water. That is our own trouble—we want more water there.

13. Did you not say at Foxton the other day that there was some difference in the freight between Foxton and Palmerston to the extent of 3s. per ton?—No, I did not mention that.

14. Did you not speak of some difference in freight of 9s. 6d. and 12s. 6d.?—No, I did not.

15. Do you know Mr. Styles made some such statement?—Yes, I did hear that.

16. Is it correct?—Yes. The cargo delivered to Foxton for local use is carried at a higher rate than that which is railed to inland towns.

17. What is the rate on Foxton cargo?—12s. 6d.

18. Why did you not tell us that the other day? You were asked what was the freight and you said 9s. or 9s. 6d.?—9s. I should have said.

19. Why did you not tell us there was a 12s. 6d. freight?—Because the proportion of the cargo which is delivered in Foxton is so small, and we were speaking on general principles, the freight being 9s. Mr. McVilly said 95 per cent. of the trade coming from Foxton was forwarded by rail, and that is the cargo on which 9s. is paid.

20. You did not think it was of sufficient importance to mention?—No.

21. But it is a fact that there is a differentiation, and that the Palmerston people get their goods at 9s., and the Foxton people pay 12s. 6d. for the same service?—Yes.

22. That is on account of competition with the railways: I am not blaming you?—Even if you did I am not to blame.

23. You are competing with the railways?—Yes, I suppose we are to a certain extent.

24. And that is why you make the reduction?—To level up the charges. Even if we do make a reduction our difference in the freight is very marked.

25. *Mr. Williams.*] Am I right in drawing the conclusion that the number of visits of ships is about the same as it was before?—No; I suppose, under proper conditions——

26. What is the existing position?—When I first joined the Foxton staff the "Queen of the South" averaged about eight trips per month, and during 1915 and 1916 she averaged about seven trips and a half per month.

27. Now, the vessels really bring and take away in each trip more than they used to do?—Comparing it with eight or nine years ago there is more cargo offering.

28. I want to know whether the ships take away more in one load than they used to do, or less?—No; on neap tides we take less, and on spring tides we can fill up to the full capacity of the ship.

29. You carry more than you used to do?—Yes.

30. If the number of visits are less, then the ships must take away more now?—Yes. The ships are taking more when the bar is workable. If we could get proper facilities we would run two ships all the time.

WILLIAM PARK sworn and examined. (No. 17.)

1. *Mr. Weston.*] You are a bookseller and stationer carrying on business in Palmerston North?—Yes.

2. How long have you been resident here?—Thirty-four years.

3. You came from Hokitika?—Yes.

4. You are an ex-Mayor of Palmerston North?—Yes.

5. What attitude do you take up with regard to the Foxton Harbour?—I consider the Foxton Harbour should be under the control of the Foxton Harbour Board. It is practically the heritage, if one might put it so, of the district it serves. I crossed Foxton Harbour thirty-four years ago, and at the present time it is in a worse condition that it was then. We get our goods via Foxton. Stationers' goods being heavy, we naturally get them via Foxton, but owing to the bad state of the Foxton Harbour there are constant delays. I have here a letter from my agents in Wellington—the New Zealand Express Company—dated 29th March, 1916. It reads, "With reference to two cases of blotting-paper ex 'Rimutaka,' the 'Queen' has been unable to get out of Foxton for the last few days, but we understand she is due in Wellington to-day. Owing to the congested cargo the agents cannot give us any definite promise that your goods will go forward by this trip. In the event of us not being able to get them on board, if you wish to have them railed, to avoid further storage, kindly advise us, and we will arrange this." That is an indication of the delays that the stationers have to put up with. The letter came quite unsolicited, and at the time I received it I did not know that it would be evidence at the present Commission. As a business man here I can say that practically the whole of the commercial community consider that the harbour should be handed over to the Harbour Board for management. Owing to the position the Railway Department has taken up all these years in not expending money upon the harbour and improving it, in my opinion as a citizen, the Railway Department might just as fairly have commandeered the Wellington wharf thirty or forty years ago and refused to expend any money on that wharf for all these years. What position would Wellington have been in to-day if the same course had been followed as that which has been taken in the case of Foxton?

Mr. Weston: That concludes my evidence so far as this district is concerned. I may have four witnesses in Wellington, where, I understand, the Commission intends to sit and take the evidence of the railway officials.

The Chairman: Do you propose to call evidence, Mr. Myers?

Mr. Myers: No, not here, sir. I will call evidence in Wellington when the other side has finished.

[Plans relating to Saunders's contract produced and put in.]

[Further evidence relating to the Foxton Wharf branch of the inquiry was given in Wellington by the following witnesses: Gerald Fitzgerald, Captain E. J. Harvey, W. E. Fuller, R. Edwards, G. M. Deck and R. W. McVilly.]

PALMERSTON NORTH, TUESDAY, 23RD MAY, 1916.

The branch of the inquiry relating to the Sandon Tramway and Main Trunk deviation was opened.

Statement by Mr. SKERRETT. (No. 18.)

Mr. Skerrett: I appear, with my friend Mr. Luckie, for the Manawatu County Council, Rangitikei County Council, Horowhenua County Council, Marton Borough Council, Levin Borough Council, Foxton Borough Council, and Bull's Town Board. There are two questions upon which we desire to call evidence. Those two questions are separate and distinct, and, indeed, involve in the main separate considerations, though they are not wholly disassociated from one another. The first question is whether the local authorities interested in the tramway should be permitted at their own cost to extend the existing tramway-line or light railway running from Himatangi, on the Palmerston–Foxton Government railway-line, to the Pukenui, on the left bank of the Rangitikei River, nearly opposite Bull's, so that the line should connect with the Government railway-line at or near Marton at some convenient point.

The Chairman: Why not at Greatford—that is the nearest point?

Mr. Skerrett: There are objections relating to grades which on a casual inspection make the junction desirable at a point about equidistant from Greatford and Marton, but no attempt has been made to fix the precise point of deviation. Now, connected with this question, but not differing from it, and practically the same in principle, is the subsidiary question whether the Government should itself take over the existing light railway and itself make the connection with the Government railway-line; or, alternatively, what rights of purchase or option of pre-emption over the line should be conceded to the Government as a condition for the permission to connect it with the Government railway-line at or near Marton. I want to make it clear at the outset that the main proposal of the local authorities which I represent is to construct at their own cost the proposed extension. They seek no aid from the public purse. They are prepared themselves to find the cost of the extension, and, as will be seen hereafter and as I have said, they are prepared to give the Government reasonable rights of pre-emption over the existing

and extended line as a condition for the privilege of extending the line so as to connect with the Government railway-line. Your Honour will find that there will be no room for controversy or dispute, I apprehend, between my learned friend and myself as to the reasonableness or adequacy of the rights of purchase which the local authorities are prepared to concede. The sole question is, Is the refusal of the Railway Department to permit the extended light railway to connect with the Government railway at or near Marton just or well founded? Would your Honour permit me to observe that there appears to be no objection to the local authorities procuring under the Tramways Act an extension of the existing tramway from its terminus at Pukenui to Marton; but, of course, that would not permit a connection between the terminus near Marton and the railway-line. None of the statutes appear to me to prevent the operation of the Tramways Act, but the difficulty is that the Railway Department have refused for a reason —I believe there to be only one reason, which I shall presently advert to—to permit under any conditions the connection between the light railway and the Government railway-line.

The Chairman: What is the size of the light railway?

Mr. Skerrett: It is the same standard gauge as the New Zealand gauge. Your Honour will find that the rails are lighter, as it is a tramway, but sufficient for a light railway. Now, the second question brings under the consideration of the Commission the great advantages to be derived by the construction of an additional line from Marton to Levin, via Foxton, to form an integral part of the Main Trunk line, thus shortening the railway distance from Auckland to Wellington by seventeen miles—I am speaking approximately—and shortening the time occupied in the railway journey each way between those two places and from New Plymouth to Wellington by approximately one hour, and running through a rich district capable, we shall show, of increased subdivision and settlement, through which the line can be run on easy grades and avoid the shorter curves and heavier grades which exist markedly between Greatford and Feilding. Now, sir, I want to say at once that, despite the great advantages of the construction of this additional line, it is not suggested that the Commission should recommend the immediate construction of the line. That is not the suggestion. I will refer to that topic at a later stage. I shall venture to submit that this Commission could do a great service to the country in considering the question which the Governor has submitted to them—namely, in considering the advantages of the proposed extended line, and the general consideration of the aspect and condition of things which would make it ripe for the expenditure on this line. Now, I desire to say at once that, so far as our view of the matter is concerned, we do not think the construction of the additional line will in the slightest degree affect the trade or prosperity of Palmerston North. The members of the Commission are familiar with the situation of the tram-line and of the line generally. I may, however, say that the tram or light railway runs from Himatangi, on the Foxton Branch, to Pukenui, on the left bank of the Rangitikei River, a distance of eighteen miles. I desire the Commission to bear in mind that from Himatangi to Foxton there is a Government railway-line of 5 miles 58 chains. That is of importance, because, as you will see, this light railway does not junction at Foxton; its terminus is at Himatangi, on the Government railway-line, and the railroad from Himatangi to Foxton is and will be under the control of the Railway Department. From Pukenui, the Rangitikei River terminus of the light railway, to the point of junction is estimated to be between five and six miles. Will you permit me, sir, to give you a few figures which contrast the difference which goods coming from the centre of the Island have to travel in order to arrive at Sandon or Bull's, which is now about the centre of the district with which this tramway is concerned. The distance from Palmerston to Himatangi is fourteen miles; it is thirty-three miles from Marton to Longburn, from Longburn to Himatangi is fourteen miles, and from Himatangi to Sandon is fourteen miles. The tram extends, as your Honour is aware, four miles farther, to Pukenui, making eighteen miles of tram; so you will see that goods coming from the north, in order to get to Sandon or to serve this district by rail have to go round a loop-line of about sixty-one miles, and all this owing to the absence of a connection between Pukenui and at or near Marton of some five or six miles. Would your Honour permit me to give you a slight sketch of the history of this tramway, because there is some misunderstanding in the evidence which will be put before you. In the old Provincial Government days a horse tramway existed from Palmerston North, connecting with Foxton. That was then superseded by the railway from Palmerston to Foxton. After the construction of that railway-line the local authorities, and particularly the Manawatu County Council, bestirred themselves and constructed a steam tramway—this was never a horse tramway —from Himatangi to a point which I am not able to indicate, but not as far as Sandon. It went to a point convenient for the purpose of obtaining gravel and metal for roading purposes. Now, this tramway was constructed under a subsidy granted by the Crown under the provisions of the Roads and Bridges Construction Act. Your Honour will probably remember that in the early statute relating to roads and bridges the interpretation clause provided that a "road" should include a tramway, and so this line was constructed originally—this portion of it—by a subsidy. That is under the statute of 1876. Sir James Wilson points out to me that of course the local authority provided one-fourth of the money, so that the subsidy was three to one. But, your Honour, our statutes recognized the tramway, because a public statute passed in 1884 or 1885 authorized the lending of £3,000 without interest for the extension of this tramway. That has been repaid. Now, there has been more than one extension of the tramway, at least one being under the provisions of the Tramways Act. As your Honour is aware, it was extended to Pukenui, and from Pukenui there is a branch line which goes into the river-bed for the purpose of obtaining gravel and metal deposits. The county has a stone-crusher plant there, and it is proposed to further extend that piece of line for the purpose of working the almost inexhaustible deposits of metal which exist in the river. Now, it is very important to observe that by the Public Works Act of 1879 a branch railway was authorized from Greatford to Bull's,

and that authorization is still law. You will see that that statute authorized a branch railway to Bull's immediately opposite the Pukenui terminus of the tramway. The connection, therefore, would be a very small one, in order to connect the authorized line to Pukenui, but it is to be observed that that was an authorized Government line.

The Chairman: Was there not some connection with Feilding in the same Act?

Mr. Skerrett: There are several lines—Bunnythorpe to Woodville, Greatford to Bull's, and others. During this period I am now dealing with the district gradually became more and more settled, considerable areas of land were cut up, including the Ohakea area, and particularly the Rongotea district, which consists of some of the finest dairying land in New Zealand. With that increased settlement came increased traffic and increased utility for the tramway, and it was gradually converted out of the profits or receipts of the tramway into more of the character of a light railway than a tramway. Originally it was constructed with 28 lb. rails, and those were taken up and 40 lb. rails with totara sleepers were substituted for the whole length except six miles. There are six miles of the tramway which has still the 28 lb. rails, but the rest has been reconstructed with totara sleepers and 40 lb. rails. Now, I am not going to trouble your Honour with figures relating to the increase of traffic, because they will be supplied in detail; but I want to put it in a general way to your Honour that the revenue of the tramway has more than doubled itself in the last ten years. The material carried over the tram-line has more and more increased, and the tramway has just about paid its way. When I say it has just about paid its way, its receipts have been sufficient to provide for its expenditure, including expenditure in improvements, repairs, and maintenance, whether permanent or otherwise. As I say, the reconstitution of the railway-line from the 28 lb. rail to the 40 lb. rail was done out of profits. Now I desire to give your Honour in a few words a summary of the progress of this district in agriculture, live-stock, and settlement in fifteen years. It is extracted from the Year-book, and the period taken is 1896 to 1911, because 1911 is the latest date available for the purposes of comparison. The increase of population in these three counties—Rangitikei, Manawatu, and Horowhenua—is 11,080; the capital value increased by £8,288,639; land under cultivation increased by 212,080 acres; sheep increased by 359,120; cattle, apart from dairy cattle, increased by 44,343; pigs by 8,446; and dairy cattle increased by 21,127. Your Honour will see that this is only up to the year 1911–12, and this is the year 1915–16, so that there would be a percentage of about 20 per cent. to be added to that increase. Now, I pointed out that the tramway was a great success, and has been a most important factor in the settlement and progress of the district. Your Honour and gentlemen will notice that the tramway runs pretty well through the centre of the district, and it is fed by roadways which intersect it.

The Chairman: Could you tell us the number of dairy factories there are?

Mr. Skerrett: I am not able to give your Honour the number from my own observation, but Mr. Drew will give the information later.

The Chairman: And where they are situated, and how far from the railway-station?

Mr. Skerrett: Yes. Your Honour has got to remember, however, that butter does not travel by the railway from the factory to the cooling-chamber. In this district it travels as a rule early in the morning by motor-lorry.

The Chairman: If this railway is to deal with the carriage of produce, you will have to show what produce the railway would carry—you will have to deal with that.

Mr. Skerrett: I am coming to that. Your Honour will see that in the early stages of this light railway or tramway it was of immediate use in providing metal for the roads and for the settlers, but of late years it has been of the greatest possible value in enabling supplies and materials to be brought up to the settler, and also, to a less extent, in enabling him to get his produce to the market. Supplies of all kinds go up this tram-line to the settler—merchandise, agricultural implements, farming-material, manures, to a very large extent——

The Chairman: Where does the manure come from?

Mr. Skerrett: From Wellington. They are artificial manures; and benzine and kerosene all come up at as cheap a rate as possible. Your Honour will see that this light railway having proved its utility to the district, the local authorities began to see that its utility could be greatly increased by extending it the five or six miles to Marton or Greatford. Your Honour will see that the light railway had a loose end—it junctioned with the Government railway at Himatangi, but its other terminus was in the air, and this want of connection greatly reduced its economic value. Besides this, events which I shall presently refer to—changes of condition, changes of market—cause this question of a connection between the tramway-line and the Government railway at or near Marton to be a matter of the greatest importance, so we shall show that for twelve years the local authorities have sought to obtain, not so much an extension of their tramway to Marton—because that I think they could have obtained—but the consent of the Railway Department to the connection with the Government Main Trunk line.

The Chairman: What is the object of that?

Mr. Skerrett: Will your Honour permit me to take that in its place? It is of the utmost importance, but it cannot be mentioned without indicating the change in conditions which I was just about to refer to. I want to point out that this connection was refused for one reason and for one reason only—if it be a reason at all—and that is that it would come into competition with the Government railway and would divert the traffic from Marton and also from Palmerston to Foxton, so that goods which would otherwise go by rail to Wellintgon would be diverted to the Port of Foxton. I do not want to deal with that matter at present, except to say that the objection is wholly and entirely elusive, as can be readily shown. In 1910 the local authorities petitioned Parliament and obtained a favourable report from a Committee of the House, but that was unavailing against the passive resistance of the Department. Now, your Honour and gentlemen, the new conditions which rendered the connection with the Government railway

more advisable were these: The Main Trunk line, as this Commission is aware, opened up for settlement vast areas of land in the middle of the North Island, and a considerable expansion of settlement took place. A great timber industry sprang up, served by the Main Trunk line; a trade in fencing-posts and firewood sprang up under suitable conditions, the settlement of lands, and the higher lands in the interior produced live-stock and cattle and sheep, which could be purchased as stores and fattened for the market on the lower and richer lands which surround this tramway. Grass-seed was required for sowing down the areas reclaimed from the bush, and this district is admirably adapted for the production of grass-seed. Now, Sandon grass-seed is a well-known and esteemed article in the market. Then, sir, in recent years there has been a very great demand for chaff, fodder, straw, and hay, and this demand has sprung up in the newly opened districts, such as the Auckland District, Waikato district, as far down as Rotorua, and also from the district of Taranaki, and, in exceptional seasons, from Hawke's Bay. Evidence will be called that occasionally a demand for fat stock springs up from Auckland, owing perhaps to the fact that the Waikato has been so largely devoted for recent years to dairying. Now, the conditions obtaining in the area served by the tramway and by the proposed extension are admirably adapted for mutual trade with this area I have mentioned. The tramway area, practically speaking, wholly lacks building-timber, and it is entirely unlikely that the demand for building-timber will fall off. It has practically no firewood or material for fencing-posts, but it is a country which is admirably adapted for the fattening of stores and lambs, and all these products would pass over the Government railway either going to Wanganui or Feilding or Longburn or Wellington, according to the particular purchaser; so that your Honour will see that they could purchase the stores provided they got access to the northern market. They could purchase the stores from the interior of the North Island, fatten them, and despatch them to the markets I have named. Now, there is another important matter—I do not know if it came under the observation of the Commissioners: This district served by this tramway is a country admirably adapted for the growing of grain, chaff, fodder, and, as I have said, grass-seed, and I have pointed out that the demand has grown up for these products from the north, from Auckland, from Taranaki, and occasionally in difficult seasons from Hawke's Bay. I desire the Commission to particularly bear in mind that the Rangitikei and Manawatu Counties are the chief suppliers of grain, oaten chaff, and fodder in this district, and indeed, I believe, in the North Island. Marton is the centre of supply of this district. That portion of the district which has a convenient access to the railway-line is able to enter the northern market, is able to grow grain, is able to grow and sell oaten chaff, and the farmer is able to get rid of the straw and by-products because he has not got the cartage nor the handling. They tell me that if you talk to a Marton farmer he does not talk about the price of meat or sheep—he talks about the price of chaff. That is the commodity with which he is more intimately concerned than any other. Now, the point is this: this district, because of absence of five or six miles of connection, is absolutely excluded from the northern market.

The Chairman: I cannot understand that. Suppose you had motor-wagons or even ordinary wagons to carry your goods over the five miles, that would not affect it, would it?

Mr. Skerrett: It is not the five miles; it is the cost of cartage and handling. The evidence will be closely directed on that point.

The Chairman: The district from Sanson to the main line—it is only about seven miles off the main line.

Mr. Skerrett: Yes. There is cartage and two handlings involved.

The Chairman: That is what I want to know. I have read a great deal about this question. Years and years ago in America it was said that if you were within ten miles of a railway, that was all you should be.

Mr. Skerrett: The conditions are altogether different there.

The Chairman: They depend upon grain.

Mr. Skerrett: Yes, but your Honour will find that in those cases the system of purchase is absolutely distinct from that adopted here.

The Chairman: The way to test the matter is this: What would a wagon take chaff or grain to Sanson or Greatford for, and what would the cost of handling be?

Mr. Skerrett: Your Honour, that has not been neglected in the preparation of the evidence, but I could not hope to impress with clearness to the Commission the details of that matter. I quite apprehend that in America the system of the purchase of grain is quite different to what it is here.

The Chairman: They have to carry it in wagons.

Mr. Skerrett: Yes; that may be true, but it is not done as here by the individual farmer.

The Chairman: Take the distance in Canterbury: there are a lot of grain-growing districts more than ten miles from a railway, and they are large exporters of wheat.

Mr. Skerrett: Your Honour will find with perfect clearness from the evidence that the margin of profit on oaten chaff is so small that people who have not got this close access to the railway-line cannot compete. This is a district which grew grain. We are not speaking of anything which is experimental, but the farmers were obliged to give up the growing of grain because they could not compete with others on account of the cartage and handling.

The Chairman: Well, we will get evidence, no doubt, of how much per bushel it would cost to do that in the olden days, and how much to cart it.

Mr. Skerrett: May I point out that we are willing to pay for the construction of the five or six miles.

The Chairman: I know that.

Mr. Skerrett: Then why should not we be permitted the facility?

The Chairman: You see we will have to look at this question, that if we should find that every district is to be brought within five miles of a railway——

Mr. Skerrett: No, you could not fix the thing in that way by statute.

The Chairman: There are other districts which have no railway within thirty miles which are grain-producing.

Mr. Skerrett: But here is a railway now in operation from Himatangi to Pukenui. There is a link of five or six miles which these people are prepared to construct at their own cost and expense. Surely, grave reasons should be shown for the dog-in-the-manger reason on the part of the Railway Department in refusing this connection.

The Chairman: That is a different point. The point is as to the cost of making the new railway—not the question of allowing the connection.

Mr. Skerrett: Evidence will be called showing your Honour that in the Sandon district, because of the absence of this five or six miles of connection, straw has been burnt, whereas straw in the Marton district has found a ready sale.

The Chairman: Well, of course, we know what farmers have done in the past. I have seen them burning straw right through the Taieri district. It is most disgraceful. But I do not think it would come to that in this dry season when the feed is so much needed.

Mr. Skerrett: Farmers would not destroy wheaten straw if a market is available and they could sell at a profit. There is the fact that wheaten straw was destroyed when there was a market for it, but the cost of the cartage and handling was too great. Your Honour will see what it involves. In order to get this material along the railway it has to go round a loop of sixty-one miles—that is, to Sandon.

The Chairman: Yes, if you take it by railway, but why not have motor-wagons to carry it the five or six miles and connect with the Greatford Railway?

Mr. Skerrett: That will be dealt with by experts. It is a matter entirely for practical men, and we shall call practical men who are familiar with that aspect of the question. Then, again, your Honour, this district is very short of fencing-posts and firewood. Now, there is an inexhaustible supply of fencing-posts and firewood to the north; and your Honour would be surprised at the quantity of coal consumed in this district, which comes down sometimes along this loop and sometimes comes up by the coastal steamer to Foxton, and then by this tramway. This material which can make posts and firewood is of course all destroyed for the want of a market. We shall call a great deal of evidence to show that this district is capable of increased subdivision and closer settlement, and that, given proper facilities, you will have increased production and therefore increased freights for the Government line. I think I would be unduly delaying the time of the Commission if I were to go into details of this matter, because it has to be accompanied by an illustration on the map. Now, your Honour, we are in some difficulty. We do not know what the objections of the Department are. Ought not the headings of the objections to be furnished to us?

The Chairman: I thought you had been told. We have had read to-day a statement made by the late Hon. Mr. Millar when Minister of Railways.

Mr. Skerrett: That refers to the question of the tramway. It does not refer to the second question at all.

The Chairman: I understand the attitude of the Railway Department is this: they say, "We have a monopoly of carriage, and we are not going to allow competition."

Mr. Skerrett: I am content with that reason.

The Chairman: That is what I judge to have been the attitude of Mr. Millar. I presume it has not been changed.

Mr. Skerrett: Does not the Railway Department ever change? It changes its Manager. Is it always the hand of Esau, although the voice may be the voice of Jacob?

The Chairman: The position is this: you have to show first the area of your district, and the production of your district, and the present facilities of your district; what the cost of further facilities would be; what the interest on the cost would be—the future development; what would ensue; and all those things, I presume, you are going to deal with.

Mr. Skerrett: Yes, of course.

The Chairman: Then the effect on the railways. If you want, for example, a connection between Levin and Marton you could not do away with the line between Levin and Palmerston.

Mr. Skerrett: Oh, no.

The Chairman: Supposing that instead of the express going to Palmerston you made it go from Levin to Marton, the people from Palmerston and Hawke's Bay would have to join the main line at Levin or Marton?

Mr. Skerrett: Yes.

The Chairman: And you would have to run trains to meet them.

Mr. Skerrett: I propose to deal with that topic at a later stage.

The Chairman: That is what you have to look at, and of course if this was an express line from Levin to Marton I presume there would be no stoppages between Levin and Marton, and you would have to gather up the local traffic by local trains.

Mr. Skerrett: That is not the view we take of it. It will be extremely inconvenient for me to digress into the second point.

The Chairman: I do not ask you to do that.

Mr. Skerrett: I take it the one objection is that expressed by the Minister of Railways and apparently adopted by the present management of the Department. I will read two sentences which sum up the matter, so that there will be no fear that I misunderstand the matter. The two sentences of Mr. Millar's statement are: "Now, we do not object to that at all, but what the Government object

in toto to is a county that is already well served with railways and roads making a tramway that is going to come into direct competition with the railway, and that is their object, and I can prove it." Then, further, "We have seen that when the Manawatu Company had their line they had a specially low rate to Foxton, but when the Government took over the Manawatu line it made one classified rate for the whole railway. If they think that the Railway Department is going to sit down and allow their tram-line to take away the whole of the trade from Wellington to Palmerston or very nearly so, they will very soon find a rate made on the railways to shut the Port of Foxton up." Now, we have two answers to that. First of all we say that the objection was not well founded in fact. Second, we say it is wrong in principle; and we ask the consideration of the Commission to that question, as it disregards the main and substantial purpose for which the Government railways, as part of the public administration of the country, are constructed and run. Upon the main question, whether it is founded on fact, it is said that it will divert the traffic from Marton and the traffic from Palmerston. Now, that is clearly illusory. May I point out to the Commission there is and has been for years a railway connecting Palmerston and Foxton. Has it taken Palmerston trade to Foxton? Nothing of the kind. That has been in existence for years. There is connection between Palmerston and Foxton, and there has never been a suggestion that Foxton is stealing or is able to steal the Palmerston trade. What are the exports of Foxton? They are chiefly wool, and they have exceptional facilities for dealing with wool, because, as you are aware, the wool is dumped at Foxton and taken out of the coastal steamer and placed in the Home cargo-steamer under arrangement with the Wellington Harbour Board, by which no wharfage, or a percentage of wharfage only, is charged. The major export is hemp, a Foxton local production with which this tramway is not concerned. There is tow, a by-product of hemp, and a little tallow and a few pelts—quite a small amount—and a very small amount of general cargo. Now, that is the whole of the exports from Foxton. The figures were given, I think, before the Commission. In the past year there were 8,864 bales of wool; hemp, 35,635 bales, which is all local; 5,288 bales of tow; tallow and pelts, 1,637 tons; and general cargo, 1,525 tons. Now, sir, the imports to Foxton are timber, coal, and general cargo. If your Honour would look at that your Honour would see the timber is only that required for Foxton local consumption. Last year there was only 35,436 ft., obviously only for Foxton local consumption. As to the coal, a great deal of coal was carried for railway purposes until recently. The amount of 5,258 tons is probably for local consumption, and also the coal that passes by this tram-line for the use of settlers in the district and for the use of dairy factories there. Now, the main purpose which this tramway supplies in this connection is, as I have said, the bringing-up of supplies—merchandise, groceries, manures, agricultural implements, and coal—from Foxton over this line of tramway. May I advert also to the fact that Foxton is a port which must always confine its shipping facilities to small coastal steamers. There appears to be no prospect whatever either of finding facilities for big cargo-ships or for obtaining the consent of the owners of those big cargo-ships to lie out off the bar for the purpose of being laden. Therefore the range of the Foxton Port can never be very great, but must be necessarily confined to the Foxton district and the surrounding districts in close touch with it. May I point out that the Port of Wanganui is nearly as close to Marton as the Port of Foxton. I think it is thirty-four miles from Marton to Aramoho, and from Marton to Foxton is about thirty-three miles. There is no substantial difference therefore in the distance between Wanganui and Marton and Marton and Foxton, but Wanganui is a port in which now large cargo-steamers are expected to be able to come to berth and to be laden. Now, may I remind your Honour and gentlemen again that this line does not junction at Foxton—it junctions at Himatangi; and therefore there are five or six miles of railway which are under the control of the Railway Department, so they have complete control over the line, seeing that the terminus of this line is on this side of Foxton. Now, I ask the members of the Commission to consider what trade is likely to be diverted to Foxton, and to consider what the products of this district are. The products of this district will be grain, fodder, and grass-seed. Dealing with that lot first—grain, fodder, and grass-seed—if it finds a market at all it will find either a local market or will go to the northern market. It is impossible, therefore, that grain, fodder, or grass-seed could be diverted to Foxton as opposed to the railage to Wellington. Butter will not go under any circumstances by steamer from Foxton: that goes by rail from the collecting cool-houses in the vicinity. Fat sheep which are turned out would not under any circumstances go by steamer from Foxton: they would find a market either in Feilding or Longburn or Wellington, according to the place of business of the buyer. Is it not perfectly illusory, therefore, to suggest that there is any prospect of Foxton taking away any quantity of freight which is not negligible from the railway? Will the members of the Commission permit me to sum up what I apprehend the advantages of this connection would be. The advantages of this connection would be, and are, to enable those farmers in the vicinity to get up their supplies of merchandise, manures, agricultural implements, and so on, at a cheap rate, and these advantages would be shared by the residents of the lower Rangitikei on the western bank of the Rangitikei River. [Map referred to.] You will see, sir, the terminus ends at Pukenui, on the left bank of the Rangitikei River, exactly opposite Bull's. That district of the lower Rangitikei which you see extending to the west is all the same class of country as the Sandon country, and it would extend the facilities of getting supplies of merchandise, manures, &c., cheaply by this tramway through Foxton. But I want to make this quite plain: the advantage of this is not to get our produce down to Wellington—that is not the object of it. The object is to make a connection between Sandon and Marton for the purpose of getting our produce away to the north, and getting supplies of cattle, store sheep, timber, and firewood from the north. We cannot do that now except by carting between Marton and Pukenui.

The Chairman: I suppose you will call evidence to show what the cartage between Marton and Pukenui is?

Mr. Skerrett: Yes.

The Chairman: You speak about the lower part of the district below Bull's and along there. A great deal of that is sandhills—it is not grain-growing. There are little valleys between the sandhills, but there is not much of it that I saw five miles away from the railway that will grow wheat.

Mr. Skerrett: Your Honour will find that both the Rangitikei district and the Manawatu district are divided into three or four classes of land. There is a sandy belt which is only used for grazing. We lay no stress on that. Inside that there is an area of sand-dunes well grassed and intersected by rich flats capable of growing the finest root crops in the district—admirably suited. The water is near the surface, and it is admirably suited owing to the conditions to close settlement. Then, of course, there is a considerable area of rich swamp land and rich alluvial land alongside the Rangitikei River, and particularly in and about Rongotea, which is some of the finest dairying-land of the country. There is, in addition, an area which I cannot precisely indicate on the map, but which will be indicated by the witnesses—an area of clay land admirably suited for the growing of wheat and grain.

The Chairman: There is no doubt about that. In the Rangitikei County there is some.

Mr. Skerrett: Yes, and also in Sandon. All this will be described to you, and you will see that this area is capable of increased subdivision, and sadly needs a market to the north. That is our point. Now, your Honour, I dealt with the late Mr. Millar's objection upon the basis of fact. I venture to suggest that it is not founded in fact. Now, I ask the Commissioners most respectfully, but most earnestly, to consider whether they will give their sanction to such a principle. The principle seems to be that in running a Government railway consideration should only be had to the earning-power of the railway, and not to the benefits and requirements of the country. If a port is capable of usefully serving a district, getting supplies to the district cheaply, and getting the produce of that district away cheaper than the railway, then it is suggested that it is the policy of the Railway Department to discriminate against that port. There is to be a traffic war between the port and the railway, and so destroy the usefulness of the port. It is submitted that if such a principle can possibly obtain it would be monstrous to prevent the use by a district of the facilities of a port simply because a fraction or part of the trade might possibly be diverted from the railway-line. One can well understand that considerations of this kind might properly influence a privately owned company whose duty it is to earn dividends for their shareholders, but that is not the sole purpose of a Government railway. The purpose of the Government railway is not only to earn a profit, but it is to largely aid in the settlement and working of districts through which it passes. Now, your Honour, as I have said, we are prepared to make this extension at our own cost. It may be said by the Railway Department that it ought to be a Government line. Very well, if they say that, we are prepared to let them take the line over, or to give them an option of purchase or pre-emption whenever circumstances render it desirable that the line should be taken over by the Government. We do not want them to take it over. The settlers prefer that it should be run as a county tramway, because there is much more give-and-take between county authorities and the individual ratepayers; but if they want it, and that is the objection to the connection with the railway, we are prepared to give it to them. The price would be, of course, the fair value of the railway-line, not including goodwill and not as a part of the railway system, but what it is, a tramway-line. There are two conditions which, I submit, are reasonable, and they are, first, that the price should not be less than the amount of the loans spent and repaid and owing in the construction of the tramway. That really means the cost price of the tramway. Secondly, we ask that the condition should be imposed—namely, that the Railway Department should supply gravel and metal required at its schedule rates during the convenient seasons of the year as required by the local authorities. The reason for this requirement is not a question of price, as I am informed, but the reason of the condition is that too frequently the Railway Department will not supply gravel until after the season for usefully spreading it has passed. Now, that is an outline of the evidence relating to the first branch of the question. Your Honour asked me the number of dairy factories in the district. There are seven. They are Rongotea, which is co-operative, Glen Oroua, Rangiotu, Mangawhata, Oroua Downs, Kaimatarau, and Kaikorea. The members of the Commission will understand that I did not go into details in my opening on the first branch of the question, otherwise I should have kept you an undue length of time; but I apprehend I have said enough to indicate the general lines upon which the evidence will be called, and that is the purpose which I wish to serve. Now, sir, upon the second branch I want again to remind the Commission that it is not suggested that the additional line should be constructed immediately, but that the Commission should recommend a definite period within which it should be constructed. We desire to bring under the consideration of the Commission the advantages from which we ask the Commission to infer that at some future date the interests of the public will necessarily require the construction of the deviation from Marton to Levin. We have reason to believe, but of course we can give no positive evidence on this point, that there is already a congestion of traffic between Marton and Palmerston North which will sooner or later require the duplication of the line from Marton to Palmerston North, and probably no doubt farther on as well. Members of the Commission will remember that this section of the line has to be kept clear for six express trains a day—four Auckland to Wellington, and two New Plymouth to Wellington. The line has to be kept clear for those six express trains during the day, and during that period the Commission will find when the matter is inquired into that goods-trains are constantly side-tracked. There are two freezing companies, one at Kakariki, which is near the Rangitikei River, I understand, and one at Oroua, near Feilding; and, of course, there is the freezing-works at Longburn. Now, special stock-trains are being constantly interfered with, and constant difficulties are experienced in getting the goods and the traffic of the line through. I venture to submit that within the next five years the question of the duplication of this portion of the line will become a matter of pressing necessity. I

concede that it is a little bold of me to make that statement, and I only make it for the purpose of inviting the consideration of the Commissioners, who are much better able to judge than possibly I am. Nevertheless the statement is made for the purpose only of directing your attention to the question.

The Chairman: You see the duplication of the line is a different thing from what you propose. The Emperor Nicholas wanted a line made between Moscow and St. Petersburg by drawing a rule and making the shortest line. That line would not be used for local purposes so much so for the practical running of the line.

Mr. Skerrett: That is quite true. I propose to deal with that question.

The Chairman: That would be of no benefit to the districts. The number of people wanting to travel to Auckland, for example, from this district or Marton is nothing at all.

Mr. Skerrett: That is not worth taking into consideration. I quite agree with that.

The Chairman: And in these days of motor-cars a man who can afford to be travelling instead of attending to his work will have a motor-car, and go to the town without any trouble. Ten or twenty miles is nothing.

Mr. Skerrett: Well, Sir, I would point out that when the time arrives to consider the duplication of the railway-line, that is the time when this problem will require serious consideration, and we cannot——

The Chairman: You will have the ordinary consideration that comes to all railways of looking after two separate lines, and looking after a double line means twice the cost.

Mr. Skerrett: We shall not overlook that.

The Chairman: The cost of management is a great deal more.

Mr. Skerrett: That is as definite a statement as I can make, doing my duty to the Commission. Now, there are some facts which may not have been brought quite clearly before the notice of the members of the Commission, though some of them, I know, are present to their minds. I believe it will be common ground that there will be a saving of mileage of about seventeen miles by the deviation, and that there will be a substantial saving of about one hour on the six expresses—four between Auckland and Wellington, and two between Wellington and New Plymouth. Another important fact which must not be overlooked is this: that the proposed route from Marton to Levin is about forty miles long, and it runs practically through level country. There will be no heavy grades. The grades would average, I suppose, 1 in 90, which is almost level. Mr. McKerrow refers to the matter in his report in 1896. After stating the distance he says, "Then, as to the grades and curves on the existing lines from Levin to Longburn, there is no grade steeper than 1 in 100, and only one 15-chain curve approaching the Manawatu River, no other less than 20 chain radius. From Longburn to Greatford, especially that part of the line between Feilding and Greatford, the grades and curves are severe. There are 118 chains of a grade of 1 in 50, and other grades between that and 1 in 100, in all five miles steeper than 1 in 100. From Greatford to Longburn the grades are better, there being only 7 chains of 1 in 50, and less than four miles steeper than 1 in 100. There are five and a half miles of curves ranging from 7 to 20 chains radius." This is how he describes the Levin to Marton line: "In the part of the proposed line Levin to Foxton, there are only 67 chains of grades between 1 in 50 and 1 in 100, and only one curve of 20 chains radius. From Foxton to Greatford the line can be run nearly straight on easy grades. From the foregoing it will be seen that for all places north of Greatford the line via Foxton would bring them fifteen miles nearer Wellington by rail than they are now, and locally it would save the the country between Bull's, Sanson, and Foxton a round by rail of about thirty miles on goods traffic. The settlers complain that for produce consigned to Wellington this extra mileage is aggravated by their having to pay three short-distance rates—namely, on the steam tram, Carnarvon, on the Government line, to Longburn, and from Longburn to Wellington, on the Manawatu Company's line. For passenger traffic the inconvenience is not so great, as the country is well roaded, and generally the access is easy to one or other of the stations on the existing line. As regards the character of the two lines as to grades and curves, that by Foxton would be the better. It would be a very easy line to construct, the country being practically level throughout. The bridges over the Manawatu and Rangitikei Rivers and the permanent-way for about three miles over the Moutoa Swamp near Foxton would be the only expensive items on the line. The Moutoa Swamp can be avoided by a detour through the sandhills, but that would add to the length of the line about one and a half miles, thereby reducing the saving on the through distance to thirteen and a half miles. The tram-line is along a public road almost straight from end to end, and there are no cuttings or embankments of any extent, the country being very favourable. It would be practicable to keep to the tram-line for the railway, although so far as adopting it to save expense on the construction of the railway or an independent line, it is hardly worth consideration excepting the saving in cost of land and severance, as it is laid with old 28 lb. rails very much worn and in bad order. There would therefore be, after deducting the five and a quarter miles of Government line, Foxton to Carnarvon, thirty-four miles of railway to construct. Further, as Greatford Station in its present position is unsuitable for a junction, and, moreover, it is undesirable to have another junction so near Marton Junction, it would be better therefore to continue the new line along the existing line from Greatford to Marton Junction 3 miles 16 chains, or, in all, about 37 or 38½ miles of railway to construct, which, in the absence of detailed survey and estimates, should not be estimated to cost less than £300,000." In Mr. McKerrow's original report the amount is stated to be £200,000, but my learned friend Mr. Myers says that is a misprint for £300,000. Our estimate is in the neighbourhood of £280,000. The report continues: "Although it would be a decided advantage to shorten the distance by 13½ or 15 miles and save from half an hour to an hour on traffic from all places north of Greatford to and from Wellington, the present traffic would not warrant the outlay, for it would practically mean the deviation of the traffic over the two lines, which, with the extra cost of maintenance and of additional train services without corresponding increase of traffic. When the through line to Auckland is completed and opened for traffic it may be worth while to consider the question of constructing the direct line Levin to Greatford, but not till then. The settlers between Bull's and Foxton, although labouring under

the disadvantages already mentioned, are much better off as regards railway conveniences than some other important districts in the colony. I would advise the Government to defer taking any steps towards the construction of this line for the present and until there is a considerable increase of traffic." That was written in 1896—twenty years ago—and the Main Trunk line is now an accomplished fact and in full operation. [Grades indicated to members of Commission on map.] Mr. Hiley, dealing with the Palmerston North – Paekakariki Section, says, "The existing gradients are easy, the ruling grade being 1 in 100." What does he mean by that—the average grade?

Mr. Hannay: He means the steepest grade.

Mr. Skerrett: The result, therefore, would be that if you made the additional route which we suggest you would have a run from Marton to Paekakariki of seventy-three miles practically flat—a grade of 1 in 100, forty miles on this line and thirty-three from Levin to Paekakariki. Some attempt has been made to reduce the Paekakariki grades, but they have not attempted to carry out the whole scheme which Mr. Hiley recommended in his present report at a cost of £50,000. I desire to remind the Commission that if, as certainly will have to be done, the line is duplicated between Marton and Levin, it will necessitate the construction of two bridges. The Kakariki Bridge carries one line of railway, and it is wholly insufficient to carry two. It is a traffic-bridge in addition, and is very inconvenient. The same applies to the bridge at Shannon. I do not know whether it is suggested that that should be made wider, but your Honour's colleagues on the Commission will inform you upon that point. One would imagine that if they are going to duplicate it would be better to construct a new bridge capable of carrying two lines of rail, but I want to point out that this is an offset against the two bridges which are required to be constructed under this scheme if there is one across the Rangitikei and one across the Glen Oroua. Now, sir, I think it is impossible for me to hope to be of very much assistance upon this practical and indeed technical and engineering question, nor do I expect that the witnesses will be able to afford you very much assistance, but whatever assistance we can afford we propose to bring forward. I venture to put to the Commission by way of submission that the importance of saving this distance and this time cannot be overestimated, and that the importance of securing the grade over seventy-three miles over which the maximum load can be hauled at the maximum pace and with the minimum wear-and-tear is of the utmost importance. We must look ahead.

The Chairman: I know that at Home if you get a grade of 1 in 75 you are considered to have a very excellent line.

Mr. Skerrett: Of course that may be so. I do not profess to be familiar with that, but nevertheless 1 in 100 is better.

Mr. Myers: Most of the goods traffic must necessarily be on the existing line.

Mr. Skerrett: No. His Honour referred to the question of the proposed deviation, and, speaking subject to correction, I understand the deviation would be used for express and through trains from Auckland to Wellington and New Plymouth to Wellington. It would also be easy for that class of goods traffic which is called express goods. It consists of trains made up between comparatively long journeys, say from Taihape to Levin and so on. Although the main traffic would be deviated, the Marton–Palmerston–Longburn line would be left there for local goods traffic, and it would be left—which is more important still—for the constant and important traffic which exists for the purposes of the freezing companies on the line. As the members of the Commission are aware, the frozen-goods traffic is one of the most difficult traffics to deal with, and the importunity of the sheep-farmer and the sheep-buyer is a difficult matter to resist. I venture to submit that the gentlemen who are instructing my learned friend Mr. Innes to oppose this claim do not appreciate that it cannot affect the trade or commercial prosperity of Palmerston North. At present the traffic which is diverted only stops for a fraction of half an hour—for ten minutes, I think—and cannot in the least degree affect Palmerston North. Take an illustration: after the acquisition of the Manawatu Railway the Government diverted most of the mail-trains from the Wairarapa line via Woodville. Has Masterton suffered? Not at all. Its prosperity is not affected nor its trade affected. Your Honour adverted to the fact that it would be necessary to run local trains from Palmerston North to Marton and from Palmerston to Levin as feeders to the Main Trunk line. That is so. That is already done in the case of Wanganui.

The Chairman: They have to wait a long time at Marton, and in that way they do not feed at all.

Mr. Skerrett: They ought to. It is possible. I suppose they do the best they can, at any rate.

The Chairman: Then you see you have to consider the Hawke's Bay trains coming in.

Mr. Skerrett: They would have no difficulty in dealing with that.

The Chairman: But it will mean running four trains a day extra.

Mr. Skerrett: That is more a question for a railway manager. Palmerston is already very well provided with trains, and I venture to think——

The Chairman: You see the whole thing is this: there are two opinions about the running of railways. There is the one notion of running a railway as a straight line between two ends. The other way of running a railway is to run it where you can pick up the traffic of the different towns and settlements on the way. The colony, when it started railways, did not run the railways for speed between two termini, but to pick up traffic at the different places, and hence the railways might touch small centres of population on the way. That was the idea of the railways when laid down.

Mr. Skerrett: I understand in many places in England enormous sums have been spent in shortening the time of express trains and the distance between the termini and London. In all probability there must soon be extra trains from Napier to Wellington, because it is proposed to connect Gisborne by Napier with trains. That is already in course of construction, and if that is so it will necessarily mean extra trains running through on this branch. I should like that my learned friend should give me to-morrow or the day after a statement of the general heading of his objections. How can I direct my evidence when I do not know what I have to meet?

The Chairman: I do not think there is any harm in his doing that.

Mr. Skerrett: I am afraid your Honour's statement that there is no harm in his doing that will be of no assistance to me. I want you to direct my friend to do it.

The Chairman: I think Mr. Myers ought to say what his objections are.

Mr. Skerrett: In general terms. I do not want details.

The Chairman: The principle on which he opposes it?

Mr. Skerrett: Yes. I want a general statement of the reasons or objections I have to meet.

The Chairman: We think that should be done. We are not bound by the procedure of the Courts. We can allow what was known as rebutters and surrebutters.

Mr. Myers: I do not object to that. I will give my friend the information or make a statement in some general way.

Mr. Skerrett: My learned friend immediately tones it down.

Mr. Myers: Well, in a general way I will put it.

Mr. Skerrett: Those are all the observations I desire to make before calling evidence.

Sir JAMES GLENNY WILSON sworn and examined. (No. 19.)

1. *Mr. Skerrett.*] You are Chairman of the Manawatu County Council?—Yes, I am.

2. And you have been so for many years?—For some fifteen or sixteen years, I think.

3. *The Chairman.*] Where does the Manawatu County have its offices?—At Sanson.

4. *Mr. Skerrett.*] Would you mind stating to the Commission your general acquaintance and general connection with the Manawatu County?—[Map referred to and points indicated.] It is bounded by the Rangitikei River, the Manawatu River, and the Oroua River. All the land marked white on the map is Government land and is composed of sandhills. There is a considerable amount of sand opposite the Rangitikei not far from the mouth. There is one piece of this freehold. The Railway Construction Act gave to the Manawatu Railway the land within twenty miles of the railway, and the particular area [as pointed out] between the Rangitikei and the Manawatu fell to the Manawatu Railway as freehold. It has now been sold and is freehold, but the rest is Government land rented by Mr. McKelvie, of South Rangitikei. The majority of the land southwards is composed of a series of lakes and swamps. The creeks are dammed up into lakes by the sand and in many cases the water cannot get away, and therefore makes a series of lakes in some places and swamps in others. Some of the swamps have been drained and are valuable for flax, but adjoining the sandhills is sandy country which, to the ordinary eye, may not appear very valuable perhaps.

5. It is grazing-land?—Yes, it is grazing-land, and of a very particular value. In last night's *Standard* I happened to see the account of a sale which took place on Saturday last. All this land on both sides is served by the tramway, and the land coloured yellow was sold on Saturday last. "Six sections of the Puk'puki Estate, in the Himatangi district, were submitted to auction by Messrs. Abraham and Williams in conjunction with the New Zealand Loan and Mercantile Agency Company. Three sections were sold, as follows: Section 1, 126 acres 36 perches (homestead block), to Mr. P. Brady, at £28 per acre; Section 5, 124 acres 1 rood 28 perches, to Mr. E. Christenson, at £27 5s. per acre; and Section 6, 107 acres 1 rood 27 perches, to Mr. F. Lucinsky, at £24 10s. per acre. The other sections are open to private treaty, and as there is inquiry being made by prospective purchasers it is anticipated these sections will soon be disposed of." That shows the value of the land is more than the ordinary eye would take it to be. It is turning out to be extremely good dairying land. There is plenty of water within a few feet of the surface. Sometimes there is too much water on it. In summer it is very good grazing-land, but in winter the low flats are covered with water. There is a drain through it which has been provided by the settlers. Some of the Awahou Block is very valuable land. Down the Manawatu River there is some very fine rich land. There is not a great deal of erosion going on there, but there is farther up, near the Manawatu Bridge. There are some very rich flats down by the Oroua. Mr. Douglas had some land there which was cut up and settled on by a hundred families and called Campbelltown, now called Rongotea. It was cut up into very small areas of 20, 40, and 100 acres, and some of the larger settlers have cut up the land amongst their children. It is exceptionally rich land, and one portion on the Sluggish Creek is said to be capable of carrying one cow to the acre, which is, I think, almost exceptional as compared with anything in the world. The land running between this sandy country and the Sandon stiffer country was rich bush, and portion was given to Dr. Featherston by the Government. On the left bank of the Rangitikei is all rich land. To the north of the bush is a piece of land which can be seen from Mount Stewart looking towards Bull's. Some of it is dairying, but it is not so suitable for dairying as other land. It is exceptionally good grain land. The farmers there have gone out of grain-growing because of the difficulties of transport. It is very good rape and turnip land, and much of the winter supply of fat stock comes from that district. The swamp land is not good rape land because it is a peculiar fact that it does not fatten sheep as one would expect. The land on the right bank of the Rangitikei, two or three miles from the mouth, is of a sandy nature, but the sand-dunes are narrow, but there is much rich land nearer the river. The area from Bull's to the coast is all interested in the tramway. The carriage of produce would naturally fall to the tramway. The lamb trade would never go by sea via Foxton. There will be competition from Wanganui, and the two Wellington companies and the two Christchurch companies will soon enter into the market. It depends on which buyer gets the stock as to where it will go. The cost of carting there is very considerable, and is avoided as much as possible.

6. *Mr. Williams.*] Can you give us any idea of the cost of cartage on the roads at present—the cost per ton per mile?—A three-horse team at the present moment expects to get 30s. a day, and for a four-horse wagon there would be an increase in comparison.

7. What would they carry ?—Of course, a good deal depends on the road. I suppose a three-horse team would carry twenty sacks of oats. They do not like to cart chaff—it is a top-heavy load, and they send it by wagon. I could not tell you what the wagon gets.

8. *The Chairman.*] How many trips would they make between Bull's and Greatford ?—Only one trip; but I could not be sure. I have always carted with my own teams. From Bull's to Greatford you can take practically only one load a day. The loading and unloading takes a considerable time. The reason is that you have to be quite sure the trucks are there, and the lack of trucks is of very great inconvenience to the country settler. If he goes to the station and then finds out that the trucks are not there, he has the journey for nothing, because you cannot leave chaff or grain outside.

9. Is there no shed ?—There is, yes; but it means double loading. After having done that he has to stop and load it, and it is quite an art in itself to load a truck of chaff so that it will not shift, and to see that it is properly covered to be safe from rain. It takes a considerable time to load a truck of chaff. It is therefore impossible to get anywhere round Bull's more than one load a day to Greatford.

10. *Mr. Skerrett.*] In your opinion are the districts which you have just now described generally capable of increased subdivision and closer settlement ?—If it is desirable to do so they certainly are. In many cases it is possible to divide them, as was instanced in the case of a man named Kilsby, who bought originally from the Oroua Downs Estate. The land was cut up into areas of certain sizes which they found suitable for settlement, and now they find it is suitable for cutting up into very much smaller areas.

11. *The Chairman.*] There has been a great rise in the price of produce and in the price of land ?—That particular land has benefited largely by the fact that a new cheese-factory was put up.

12. *Mr. Skerrett.*] How long have you been living in the district ?—I have been here since 1873.

13. And I think you have been connected with the affairs of the district both privately and otherwise throughout that period ?—Yes, more or less.

14. I wish you would give to the Commission very shortly the history of this tramway ?—I have mentioned the fact that this is a very sandy tract of land in the southern part of the county, with swamps to the west. There were no possible means of getting gravel to this portion of the county except by road until Major Atkinson brought in the Roads and Bridges Construction Act. If we had to get the gravel down the Sandon tram-line it would have cost 10s. or 12s. a yard. Fortunately, I was able to induce the Government to accept, in the definition of main roads, the word "tramway." That enabled the county to borrow money for the purpose of constructing a tramway, and the subsidy was granted as in the case of a main road. This land was all used for grazing in those days. The gravel we procured, however, was sufficient to gravel the main roads. Then the whole country became more settled, and naturally the people in the district wanted a port for their wool. We had to drive the wool all the way down to Scott's Ferry. That was a very expensive course, because it takes two days for the one load and return. The people south of Bull's want to get their stuff down to Foxton, but the Roads and Bridges Construction Act fell through its own weight. There was such a demand for money that the Government could not provide sufficient. There was therefore no means to extend the tram to a further supply of gravel, and so the Government had to be applied to for assistance. Sir Julius Vogel lent to the county £3,000* against the Government subsidy, which was £500 a year. That extended the line to Sandon. We found then that settlement was going on very rapidly on the Douglas Settlement. They all wanted roads to get to their properties. Dairying was begun when the Douglas Settlement was cut up. Thus we had to consider the question of more gravel. We had exhausted the gravel to which the tram had access, so we required to extend the tramway to the river where there was an inexhaustible supply on the opposite side of the Rangitikei from Bull's. The county was able to make the tramway under the Tramways Act, which Sir Francis Bell brought in and passed, and all the tramways had then to work under that particular Act. We had, however, to get the Government's authority, and in Mr. Seddon's time we got permission to extend it from Sandon to the river. We then borrowed money and extended it to the gravel-pit. We have now almost exhausted that gravel-pit. The gravel-pit has two faces—first clay, then gravel, and then clay again, and then gravel; but we cannot go down to the lower portion because it is so expensive to strip the second strata of gravel. We are trying to double back on to the river where there is a large supply of gravel. At present we use between 7,000 and 10,000 yards of gravel per annum. Our traffic in some portions is extremely heavy and very wearing on the roads, so that we have a very large maintenance to provide for in that particular district in the southern end.

15. Will you tell us in a general way what has been the use of the tramway to the district, and how it has stood as a business proposition: has the tramway paid ?—As much as many of the railways have paid. It has paid indirectly.

16. *The Chairman.*] You have got your metalling of the roads cheaper ?—Yes, that is one point. The second point is that we have been able to take the heaviest business traffic away from the road. By that means we have saved our roads. If you take the actual figures of the tramway it has not paid, but it has paid indirectly. Some time ago when there was sufficient demand for grain we used to cart it to Feilding and Palmerston. That is very heavy on the roads. We now take that round by tram, which relieves the roads. If you take it from a commercial point of view the tramway has not paid, but it is showing such good results that I am sure in a few years the results will be such that we will be able to say it is a commercial as well as an economic success.

17. *Mr. Skerrett.*] Since 1902 the Manawatu County Council have been seeking provision to extend the line towards Marton, and connecting it at or near Marton with the Main Trunk line ?—Yes. As a matter of fact, we had an offer many years ago from a private company to take the tramway over.

---

* Witness subsequently wrote, "Since giving this evidence, which was given from memory, I find this sum was £2,000, not £3,000."

At that time it was rather a burden to us, and therefore we would not have been unwilling to get rid of it. The private company were willing to take it over provided we could guarantee that it could be extended from Greatford to Levin, but when we applied to the Government they refused to grant us permission to do so. In 1902 our desire was to extend it to Greatford, so that we could get the advantage of the northern market. We were excluded very largely from that market because of the expense of carting to the Main Trunk line, and the expense of taking it round via Himatangi, an additional sixty miles, to bring it to Greatford.

18. I would like you to enlarge upon the character of the northern market, and tell the Commission whether or not it is of recent development ?—The northern market is entirely of recent development. Before the Main Trunk line was opened there was nothing but a few sheep round Karioi. The whole of the southern portion of the land had been completely exhausted of timber. When I came here in 1873 you could see timber everywhere, but it is now all gone. I do not think there is a single mill south of Utiku. When the Main Trunk line was opened up it altered the whole system of farming in the Marton district. Hitherto they grew a small quantity of wheat for their own use, also oats and turnips. The central timber-market was so extensive, and there were so many horses and bullocks being used where in winter there was very little feed, that they perforce had recourse to our neighbourhood for all the chaff feed they could get. They took threshed grass-seed hay also, which is the cheapest form they could get it in, and the nearest place they could get it from was Marton. They have to feed the bullocks in winter and horses all the year round. The consequence is, of course, that there is an immense quantity of chaff going from that neighbourhood. Chaff as a product is peculiar. We have ceased to grow oats in the Marton district simply because we cannot grow them of the same quality as the southern people, nor can we grow them as cheaply. One of the reasons is that we can only grow Algerian oats, on account of the rust. It makes an excellent chaff, but is not such a good colour as white oats. One farmer in the district sold the whole of his chaff and bought oats for the purpose of feeding his horses in winter. The wheat, however, in the Marton district is growing much better than it used to. The farmers are beginning to understand that land requires assistance by way of manure. They are growing more wheat, and getting better crops. They find that the sending of grain or chaff to Wellington is too expensive, so the chaff all goes up to the north. We cannot compete in Wellington with chaff, for the reason that we can only grow Algerian oats, whereas in Blenheim they can grow white oats, which makes a much brighter chaff than we can grow. The Wellington people will not look at our chaff as compared with the Blenheim chaff. Although the southern people can compete in oats they cannot compete in chaff, on account of the cost of carriage. Chaff at £3 10s. will not bear very much carriage, and if it costs £1 per ton to bring it to Wellington, and so much more to bring it to Marton or farther up to the bush, you can see that the margin becomes a very small one. That is the reason why the whole of the farming in that neighbourhood has completely changed in character.

19. So far you have been speaking of the district of which Marton is the centre ?—Yes.

20. Does the district which is served by this tramway participate in that chaff trade, and, if not, why not ?—No, it does not participate in that trade, and cannot do so on account of the carriage. The Chairman remarked that he could not understand why motor-wagons could not be utilized in the carriage of chaff. As a matter of fact, it would be extremely dangerous to take chaff or straw on motor-wagons. It might very easily be burnt. Motor-wagons have not been a great success in our district: the expense is so great. We have to pay such a high rate for our petrol: it costs us 2s. a gallon; and the wear-and-tear on a motor-wagon is so great that until we can reduce the initial cost I do not think they will be a success.

21. *The Chairman.*] How near must the railway come before it pays you to grow chaff ?—I could answer that question in one sense by saying that I once sold a piece of land three or four miles from Feilding. The man who bought the land lived about eight miles from Feilding, and he said he could afford to pay £1 an acre more for the land because he could take two loads a day from the point where my land was situated to Feilding, whereas he could only take one from the other.

22. What distance do you say a farmer would have to be from a railway to be able to grow oaten chaff and make it pay ?—I can only say that the farthest I know of any chaff being grown near Marton and carted to the Marton Station is, at the most, about five miles.

23. *Mr. Skerrett.*] What is the practical experience of farmers in the Sandon district in regard to competing with their neighbours in the matter of chaff, taking into consideration the necessity for cartage and handling ?—The nearest Sandon farm to the Greatford or Feilding Station is about nine or ten miles. The land on the Feilding side is rather broken for the purpose of cropping, though it is very good grazing and turnip land. The Sandon people do not have the northern market, and there is no encouragement for them to participate in it, because the expense of carting is considerable.

24. Are you able to assure the Commission that the experience of farmers in the Sandon district is that the cost of handling and cartage to Marton precludes their profitably dealing in oaten chaff ?—I can only say that the farmers do not do it, and that they could do it if there was the required extension. There is a considerable amount of chaff grown on the northernmost edge of the Manawatu County. We reckon that the land round there is already served by the present railway. It is south of Halcombe that the chaff is grown. The farmer will naturally go into the most profitable line he can get, and if it was more profitable to grow chaff by reason of the extension of the tram enabling him to get a market he would do so.

25. The farmers round Marton find it profitable to grow chaff ?—They practically make a living by growing and selling it.

26. What do you say with reference to the growing of grass-seed in the Sandon district ?—This trade has developed within the last decade.

27. What seed do you grow?—Originally we started almost entirely with rye-grass. The rye-grass in the Hastings and Gisborne districts is of a standard growth, and New Zealand used to get most of its rye-grass from Hawke's Bay. Canterbury rye-grass seed is of a different class—it is larger, and not so attractive-looking. The farmers growing grain in the Sandon district supplied the local market. They found, however, that rye-grass was taking on very well, and that they could get a very good crop off it. Then it was found that there was a very large demand for crested dogstail. That is a grass-seed which fluctuates very considerably in price; sometimes it is fashionable and sometimes it is not. Much seed is sometimes exported. It seems to grow here naturally, and some farmers have found the growth of the seed very profitable. Italian rye-grass has done very well this year, bringing 7s. and 8s. a bushel.

28. I want you to explain to the Commission what market the extension will open up for goods from the north, or for goods from Sanson to the north?—Of course, goods from the north are governed very largely by what is the most profitable system of farming. It is a question of what the farmer considers will pay him best. If he finds it better to grow grain and chaff he will go in for that line of farming. There are always one or two pioneers in farming in New Zealand, and they give a lead as to what is the best system to adopt.

29. What do you say about the adaptability of the Sandon district for sheep-fattening for the northern market in its relation to stores?—The Sandon land has very greatly improved since I went there. Years ago it was covered with flax, toitoi, and fern. It took many years to break it in. It has a clay subsoil. As time went on it was turned over and cropped in various ways. At the present moment it is 50 per cent. better than when I knew it first. When the Sandon district was opened up a number of settlers came from the Hutt who wanted to extend their farms for their sons, and they entered into an arrangement with the Provincial Government to let them have 5,000 acres at £1 per acre. It was arranged by the settlers that they should have 180 acres in open country, 20 acres of bush for firewood, and an acre in the township. Therefore they had three different classes of land for which they eventually paid something less than £1 an acre on account of the delay in settlement from Maori troubles. The bush is still standing there, because they are using it for fencing and firewood instead of cutting it down and burning it.

30. *The Chairman.*] Do you grow any cocksfoot?—We do not grow very much of it. I do not know why, but I think it is because we have not been taught how to.

WEDNESDAY, 24TH MAY, 1916.

Sir JAMES GLENNY WILSON further examined. (No. 19A.)

1. *Mr. Skerrett.*] When the Commission adjourned yesterday you were referring to the question of the development of the northern market. May I ask you whether, in your opinion, that market is a permanent and established market?—I should say it must be an established market. We have evidence of that in the Taranaki District. There they had similar conditions to what we have here. They had a large amount of bush which was cut down and the land used for farming. Even now the demand continues in that neighbourhood for our produce.

2. We have discussed the general nature of the production of the district under consideration. I now want you to state fully the character of the mutual trade which could be developed between this district and the north if a railway connection is obtained at or near Marton?—Well, I must go back then to the business that the farmer does in his own particular neighbourhood—in the Manawatu County. I think it is an axiom in businesses of all kinds that the wisest thing you can do is to spread your risks, and so it is with farming. If a farmer devotes the whole of his farming to one particular product and that product goes down, we can see at once that his income will be very seriously curtailed. At one time I was almost wholly dependent on wool, and when the price of wool fell my income was reduced by half. In the Waitotara district I have known of instances where farmers would give the wool to any one who would shear the sheep and cart it away. It is one of the great benefits of the Manawatu County that we can spread our risks to a much greater extent than the hilly country can. Dairying is largely carried on in our county, and food is an article which is always likely to command a high price. There is always likely to be a demand in the older countries for food as compared with raiment. You can do without renewing your raiment, but you must have food. Butter is a product which, to my mind, might easily cease to develop in the same direction as it is going now. If the Irish people were to stop shooting one another and devote themselves to making butter I think they could supply the whole of the British Empire with that article. The land there is specially suited for carrying on that business. The grazing-land, mostly limestone, in Ireland is well known for its value. Ten years ago there was not a factory in Ireland, whereas to-day there are thousands. If the development in that direction in Ireland takes place, as I expect it will, the demand for our butter will very largely decrease. There is no doubt that the business of dairy-farming is an extremely trying one. The farmer has to put in very long hours, he has to be up early to get the cows in, and he has great difficulty in getting labour. He is practically tied to the business day after day, Sunday and Saturday, for eight months in the year, and therefore as soon as a man is able to get out of that class of farming he does so. The likely trend of farming in our county in the main is that the man who goes out of cows always goes into sheep. He finds that sheep-farming requires very much less work and is profitable. In the Feilding district they have probably one of the most exceptional districts for sheep-fattening in this country. The lower flats of the Oroua are extremely valuable, and they are making a speciality of that class of farming in that neighbourhood. They find it better not to breed sheep there, but to buy ewes elsewhere. They are brought down to

these lower lands, a lamb taken off them, and the lambs and ewes fattened and sold, so they practically make a change of the whole of their sheep in the one season. That is also being done in our district, but not to the same extent. One of the farmers in the Sandon district got as high as 90 per cent. with fat lambs in his first draft. It is found that in the North Island the Romney is distinctly the best animal for mothering her lamb. There is a large area in the higher country very suitable for breeding, and ewes from this district are much sought after, Ruanui and Russell ewes fetching £1 5s. to £1 7s. 6d. per head. Going up beyond Marton you have an agricultural district, and then farther on you get into bush. You run into narrow valleys with hills on each side, and there is no chance of development so far as agriculture is concerned, because the hills are so steep and rugged that it is impossible to plough. If you go farther up the country becomes still more rugged, but it is still extremely suitable for sheep. There is a strip of country which runs from the Whitecliffs on the Taranaki coast to the east of Mangaweka, which is perhaps the best piece of land in the district. It is the most rugged and broken country that I have ever seen in New Zealand, and yet some of it carries as many as three sheep to the acre. It is found that the ewes bred there do remarkably well in the lower areas. If I am correct in my view the best way to work the country is to take the hilly country for providing your sheep and the lower country to fatten them. It is becoming to some extent the practice of men who are well enough off to have a farm in the upper country and also a farm in the lower country, and to develop his land in that way. He gets better returns from both the hilly country and the lower country by doing so. There is one portion of the Manawatu country that is so rich that I do not think they are likely to go out of dairying, but there is a large amount of second-class country which, with the high prices they are getting for the dairy-produce, they are doing very well. But if prices were to fall it is doubtful if this class of land would not be devoted to grazing and the fattening of lambs, for it is also specially suited for this purpose. If I have made myself clear, it will be seen that we are going to have a new system of farming altogether in our county. We are developing very largely the land in the vicinity of the Main Trunk line. There are going to be flocks bred there which are going to be brought down to be fattened in our district. It stands to reason that if you have something in one district which you have not in another there must be some reciprocal trade. Then, further, we have worked out the whole of our bush. We must have fencing-timber, and we are able to take some of the products of the northern portion of the Island and supply them in turn with products from the Sandon district in the shape of fodder.

3. Now, with regard to firewood, is that short in the Sandon district?—There is none in the district, and coal is largely taking the place of firewood. Personally we prefer firewood to coal, and we are getting our firewood from Rangataua at the present moment.

4. I think you obtained a statement from Mr. Malcolm Fraser, the Government Statistician, showing the progress of the Manawatu County from the year 1906 to the year 1915?—Yes [statement produced and put in]. His latest estimate of the increase of population in the Manawatu County is 900 as compared with the previous census.

5. How do you account for the decrease in the number of sheep?—Because dairying has been very profitable. The cheese-factories, I think, are paying out something like 2s. per pound for butter-fat.

6. What inference do you draw from the circumstance that the area under crop has remained the same between the years 1906 and 1911?—Because of the expense of getting it away.

7. Has there been any progress in regard to the areas under crop in the adjacent districts where they have railway facilities?—No. The Marton district has very largely increased.

8. Are there any advantages to the Government Railway Department in connection with the gravel-supplies, if there be a connection made with the railway at or near Marton?—Yes, I think there is a very great advantage. Gravel is a thing that the Government must have, and is one of their difficulties at the present moment, so much so that they have been taking land for the purpose close by the Greatford Railway-station. If we were able to extend to the Greatford or Marton district we should be able to supply them with an unlimited quantity of gravel, and if we were able to extend our present tramway down into the river we could afford to give them running-rights over the tramway to get the gravel themselves. I think that would be a very important matter. It is much easier for them to get gravel from us than for them to get it at the railway-bridge below Greatford.

9. Where do the Railway Department obtain the bulk of their ballast from at the present time?—They are getting gravel out of the Manawatu at Longburn, but I am not sure whether they have gone into the Oroua. They used to go into the Rangitikei River, but they have ceased doing that now. Of course, I am only giving a layman's opinion in regard to ballast, but when walking over the line above Marton it appeared to me that the ballast was of an extraordinary light character and very inferior.

10. Do you know whether the Railway Department brings ballast from as far as Oringi?—I do not know. If so, it seems a long way to bring it.

11. Now, I understand the county is not desirous of selling the tramway to the Government?—There has been no particular desire expressed by the county in that direction. I omitted to say that when the Roads and Bridges Construction Act came in there was an opportunity for the Government to take over the tramway at a valuation. Every Act since then has taken that into consideration. The gravel question is such an important one that we have no particular desire to part with the tramway, because we think there is a great future for it, as will be seen from the returns.

12. But is the County Council prepared to give any right of purchase to the Government should connection be permitted with the Government line at or near Marton?—I think they recognize that it is their duty to hand it over if the Railway Department think it desirable to hold it. We know they can easily take it if they wish to.

13. I understand the tramway stands in your books at approximately £25,000—the total cost ?—Yes.

14. The loans now running or paid off approximate £14,000 ?—Yes. The first loan of £2,229 has been paid off by means of a sinking fund.

15. I understand the loans running or paid off amount to £14,000 ?—Yes, about that sum.

16. I understand there is a proposed extension to facilitate the removal of gravel from the terminus in the river-bed, which is expected to cost some £7,000 ?—Yes, the whole extension and work in connection with it.

17. I understand the Manawatu County Council would not ask that this should be valued as a permanent railway, but rather as a tramway or light railway ?—It is obviously not suitable at present for a Main Trunk line. They would have to renew the bridges and put in heavier rails. It would not be fair to the county to value it as a railway from the Main Trunk point of view.

18. You suggest that the tramway should be taken over at a cost to the Council of not less than the actual amount of loan-moneys expended ?—I do not think the county would have any hesitation in the matter being decided by arbitration, provided there was a minimum arranged. That is to say, supposing it cost us £25,000 and the valuation was less, that this sum should be a minimum, seeing that we have spent that money on it.

19. That is to say, the value is not to be less than the actual cost ?—I think that is a fair way to look at it.

20. It is not suggested that anything should be asked for goodwill ?—No. The goodwill would consist in having the extension to Greatford.

21. But even in that event you would not ask for goodwill ?—No, the goodwill to the settlers would be that they had the line extended.

22. Whether there be an existing goodwill nor not, it is not proposed to include that as an item of valuation ?—No, I do not think for a moment that the Council would ask it.

23. Would you indicate to the Commission the general character of the position with respect to the supply of gravel—what conditions would you seek to impose ?—In a portion of our district we have to depend upon the Government for the supply of gravel for roads. That is down in the Rangiotu district on the Foxton line, and we have found that they naturally do their own work first. The result is that we have to take the gravel when it suits the Department, and generally it is at a most unsuitable time for us. To gravel the roads in winter-time when they are wet seriously damages the roads, and all that we would seek to impose is that an area of gravel should be given to us at a reasonable time for the purpose of gravelling the roads.

24. *Mr. Williams.*] And if they fail to give you the gravel when you wanted it, what would be the suggestion ?—They would be tearing up the scrap of paper like some other people.

25. *Mr. Skerrett.*] I understand that the main objection to the connection of this extended tramway with Marton or near Marton is that it would enter into competition with the Government railway-line, and might divert trade from Marton to Wellington, and from Palmerston to Wellington through the Port of Foxton. What have you to say about that ?—I should first like to say that as far as my knowledge goes there is no objection on the part of the local bodies to the extension to Greatford.

26. In the local bodies, I presume, you include the Borough of Palmerston North ?—Yes, or the Borough of Feilding. They have so expressed themselves. They have a suspicion that we have an ulterior object in view, but I have never known them to express an opinion that we should not be allowed to extend to Greatford. I have seen it publicly stated in the papers that they had no objection. Then the only objection, therefore, comes from the Government. We have sought for years to get the connection before starting the extension, but we have not succeeded in getting permission. The statement you read giving the late Mr. Millar's opinion is no doubt still the opinion of the Department. They have still kept the matter in abeyance, and are "making further inquiries," but they have not given us any answer yet as to the extension.

27. What is your opinion as to the likelihood of a diversion of trade from Marton or from Palmerston to Wellington through the Port of Foxton by the junctioning of this line at Marton ?—Well, if the Government continue starving the Foxton Port as they are doing now, and refuse them the right of controlling the harbour and spending the money on the river which the wharf makes, it will seriously curtail the possibility of it.

28. But assuming that the wharf is placed under the control and management of the Harbour Board there ?—The statement was made that they are not likely to make the river anything like that approaching what Wanganui is. No doubt the members of the Commission have read Mr. Ferguson's able report on the Wanganui Harbour Board, which shows they are spending large sums of money and getting good results. They are going to take steamers belonging to the Home lines in there with considerable success; but the Foxton harbour has not got those advantages, and I do not think it is ever likely to attempt that. It will take in the heavy goods if the harbour is improved and gets a regular service—goods such as wire, sugar, &c. At the present moment we are competing in regard to kerosene and benzine, because the Government rates are very high. The trade does not go to Wellington, and is not likely to go to Wellington from the Marton district, except wool and fat sheep.

29. But fat sheep would not go to Foxton ?—No, certainly not.

30. They might go via Wanganui ?—Yes, to the freezing company there. It all depends on the person or company who buys them.

31. The real fact is, is it not, that even though this line be connected with Marton, its uses to the settlers in the Manawatu and Rangitikei Counties will be to get up the farm supplies, such as manures, wire, agricultural implements, and merchandise generally, more cheaply than they otherwise would ?—Agricultural implements would naturally come that way. The rates on manures are very low on the railway-line, and that is a question which is doubtful; but the question of lime is an important one, and that, of course, is carried free. We also carry that free on our line.

32. *The Chairman.*] Where do you get the lime-supply from?—Mauriceville. There is a tendency to favour the Te Kuiti lime as being a nicer-looking lime. Lime is going to be an extremely important matter in our district, because in clay land there is always an absence of lime.

33. *Mr. Skerrett.*] Am I correct in saying that the danger of competition between the Port of Foxton and the Palmerston-Wellington Railway-line is limited to imports into Foxton?—Yes, I should say so.

34. And that connection already exists between Foxton and Palmerston at present?—Yes.

35. And it is only suggested that there should be an extension of five or six miles beyond that?—Yes.

36. With regard to exports from the Sandon district, do you know of any class of export which is likely to be diverted to the Port of Foxton rather than the railway-line by this connection—your fat stock will not go via Foxton, nor grain?—No.

37. If chaff is produced it will not go via Foxton?—No.

38. Do you know of any class of produce that will?—I do not know of any class except wool and flax. I think most of the flax goes down our line.

39. Is it cut green in your district?—Yes, we take down in the tram a good deal of flax from our district to the Foxton mills.

40. That is an entirely local Foxton production?—Yes.

41. You say the Palmerston people do not object?—I understand they do not. The idea has been created that we may want to do something else. Our desire is to see the connection made north, and we should be very pleased to see the connection south, of course.

42. Assuming that the deviation is constructed within a measureable distance of time, how is that likely to affect the prosperity of Palmerston North and Feilding?—I might say, first of all, that any extension of farming in that neighbourhood or in Carnarvon or Sandon districts, and any benefits gained or further produce turned out must eventually benefit Feilding and Palmerston. A large portion of the lower district has Palmerston as a market town. For the upper district the market town is Feilding, and it may be largely said that the money from there would be spent in the market town of that particular locality, and any extension of farming in the district which creates more wealth must benefit those two particular towns.

43. Your opinion is that the trade and prosperity of either Palmerston or Feilding will not be affected by the proposed deviation?—It comes into those two towns at present, and if you increase the produce turned out in those two districts it must necessarily increase the expenditure of money in these towns.

44. Feilding and Palmerston North are really the town market towns of the county?—Yes.

45. I think you have made it clear that the northern part of the Rangitikei County, the part above Rata, is a producing district for sheep and store cattle, and its complement are the lower part of the Rangitikei and the lower parts of the Manawatu County? It is so to a considerable extent now, and it must as time goes on increase.

46. You have spoken of the increase of population in the Manawatu County: where has that increase largely taken place?—In the southern portion—Rongotea, Rangiotu, the Carnarvon district, and anywhere where the land has been cut up for sale.

47. *Mr. Innes.*] Dealing with your last remark first, you say the increase of population in the Manawatu County has principally taken place towards the southern end of the county?—Yes.

48. That portion is served by the Foxton-Palmerston Railway?—Partly, not largely so. The Rangiotu district is distinctly served by that.

49. Is it not a fact that where the bulk of that increased population has taken place the districts are within three or four miles of the railway?—No.

50. Well, within what radius?—You could measure it on the map.

51. I suggest to you that 75 per cent. of the increase has taken place about Rangiotu?—No. It depends on whether you take the soldiers there.

52. No, I am speaking about the occupiers of land?—No, I do not think you are right in making that statement. In our county the greatest increase, I should say, has taken place farther west, but undoubtedly at Rangiotu it has increased considerably.

53. And just about Himatangi?—Yes, at Himatangi. Mr. Duncan has cut up his place there, and the number of settlers has undoubtedly increased.

54. The Carnarvon Township proper is purely a township?—Entirely, and not likely to be anything else. I hope to see the Government take that over and make it into a nursery, and plant trees on the sand-dunes, which they ought to do at once.

55. Has there been any increase in population down at Rongotea?—I am not very conversant with that. It has increased since I first knew it.

56. The land is held in small areas?—Yes; there are statistics there which will give that.

57. The Rongotea people, I believe, principally deal with Feilding?—Yes, two coaches run to Palmerston and one to Feilding.

58. Would the proposed railway affect them—would they not still come to Feilding and Palmerston?—Yes.

59. And the railway would therefore be of no assistance to them?—Not to get to Feilding or Palmerston. You are dealing with the passenger traffic, but our case does depend upon that.

60. I am talking about the passenger traffic and goods?—Goods are quite different.

61. Do you say the Rongotea people deal with Palmerston and Feilding?—The bulk goods from Wellington go by tram to Rongotea. We do not anticipate anything in the shape of passengers at all. The return will show the goods.

62. Does butter go from Rongotea to Foxton?—No, it will never go to Foxton.

63. May I suggest that at least 80 per cent. of the exports from Rongotea is butter ?—You might say so, but I could not corroborate it one way or the other.

64. We will say the bulk of the exports from Rongotea consists of butter ?—Yes, I should say butter and wool. It is distinctly dairying produce. The whole of the butter certainly goes down, and that is the largest export from that district.

65. Which way does that go ?—It goes by train to Longburn. It is a perishable commodity and will not stand any delay in transit. It is sent in the early morning from the butter-factory covered with wet cloths in summer-time. It is then put into a specially designed van and railed to Wellington.

66. Is it taken in motor-lorries to Longburn ?—I am not conversant with that.

67. Now, the construction of this proposed line would not alter that ?—No, it would not; nor would it, of course, alter the fact that we supply the bulk of what the factories use in the shape of coal, &c., by tram.

68. I may take it that the proposed deviation would not be of substantial benefit to the residents of Rongotea so far as the export of goods is concerned ?—Not for the export of their butter.

69. Do they export anything else but butter and dairy-produce ?—I have tried to show that they might perhaps export in future other goods by going in for another class of farming. Some of them have done so already—those who prefer a less irksome kind of farming. I think there will be a tendency for that to extend more than it has done in the past. At the present time they are dependent to a large extent on the butter trade. You are speaking principally of the Rongotea Township ?

70. And its immediate district ?—There is cheese.

71. But cheese finds its way in the same direction as butter ?—No, it is not so perishable, and I understand that 130 tons have gone down our tramway. Butter is a very perishable commodity and must be got to the freezing-chamber as soon as possible. Some cheese does go down our line to Himatangi, and from there to Longburn, I think.

72. On the north-west side of the Rangitikei River, do you suggest any benefit could be derived by the inhabitants there by the deviation ?—The settlers in Bull's would derive very considerable benefit. We are now using coal entirely. A very great deal of the household coal is got from the Waikato. It comes to Greatford and is then taken down to Bull's and that neighbourhood by lorry. It costs us 7s. 6d. per ton from Greatford to Bull's—a distance of about four miles. If we could get it down by train I should imagine the cost would be very small indeed.

73. Is it not a fact that you could land coal cheaper in Bull's even with 7s. 6d. per ton than it is sold for in Palmerston ?—I could not say.

74. What is the cost per ton in Bull's ?—I should have to look up the figures: I could not say offhand. The Waikato coal is only suitable for household purposes, or for mixing with other coal: it is not a good steam coal. We use in our factory considerable quantities of coal, and we like to get the screenings of coal and mix it with Waikato coal, which gives very good results.

75. Is coal burnt generally by the farmers in the Rangitikei district ?—It must be, because the cost of firewood is almost prohibitive.

76. Would there be any connection for the farmers on the other side of the Rangitikei River if the proposed line were constructed, and where would the connection be ?—There would be a siding at Bull's. They would have to come into Bull's. They would save a distance of four miles from Bull's to Greatford.

77. That is the only saving they would have so far as distance is concerned ?—Yes.

78. Do you look upon this permanent deviation as a matter of urgency ?—I do not think it is a matter of urgency.

79. Do you think it does not matter whether it is constructed now or in fifty years' time ?—I think if it is not constructed for fifty years the colony will lose considerably by it.

80. Will you admit there are other lines more urgently required than this one ?—I do not know of any.

81. Take the North of Auckland—do you suggest they have not greater claims ?—They are constructing them.

82. You do not admit there are any other lines more urgent ?—I do not know of any particular locality in which lines are now being made which would pay better for the money spent on it in a very short time. There are many things against it at the present time. The money-market is against it, also the price of iron and steel; but when things become normal again I should say that in a few years the necessities of the case will absolutely require it.

83. The Manawatu County Council has been the moving spirit in this suggestion, has it not? No, our moving spirit has been directed entirely to Greatford.

84. Who has been the moving spirit in the proposed construction of the line—has there been any ?—I cannot tell you.

85. Has there been any demand by any large body of settlers or farmers in either this or other districts agitating for this branch line ?—They are constantly talking about it. There have been no meetings. The local bodies have been talking about it, and the Bull's and Foxton people. The Foxton people are the moving spirits in this matter. The Foxton people naturally desire to get in a connection further up. It is very important to them for the harbour, and I think you can safely say that the moving spirit is Foxton, because they wish to bring in goods from Levin and through the harbour.

86. And really they are the only people ?—No, I should not say so. At our meeting when we were discussing the question after the setting-up of the Commission, the Levin people came there, and I suppose they will come and give evidence now as well.

87. The Levin people are only interesting themselves with that portion from Foxton to Levin ? —Well, you must ask the Levin people that.

88. You have been at their meetings, have you not?—I do not know that they ever expressed an opinion.

89. Of course, Levin is well served with a railway?—They say not. They are very dissatisfied.

90. Well, the demand for the extension of the present tramway is principally by the Manawatu County?—That is so, yes. I wish to qualify that. The Rangitikei people have expressed a strong desire for it—so strong that they have attended our meetings and agreed to assist us in every way possible.

91. When you refer to the Rangitikei people do you refer to the Marton people?—I refer to the Rangitikei County Council and the Marton Borough Council. Both expressed themselves as desirous of helping us in every way they could.

92. You are not prepared to take steps to extend the tram unless you can get connection with the railway?—I would not. The late Mr. McKenzie, who, unfortunately, is not now with us, said we ought to make the tramway in spite of being refused connection by the Government, but I was more cautious than he, and said we ought to get permission first.

93. Why not extend the tramway and leave out the actual connection—what is your objection?—You can imagine what it would mean taking the tram to within a mile or half a mile of the railway and then having to stop. It would mean cartage from the tram to the railway.

94. The object is to get direct connection so that goods may be diverted from the railway without cost on to the tramway-line?—Yes, naturally we would take the trucks off the one the same as we do at Himatangi—take the trucks off the Government line.

95. Is there much traffic on the present tramway-line?—All those figures will be supplied to the Commission by Mr. Drew, who has the return.

96. How many days a week does the tram run?—It depends a great deal upon what we are doing. It practically runs every day in the week while we are doing gravel business. Mr. Drew is the manager of the tram, and he will give you all that information.

97. You have told us that the Sandon district has almost gone out of cropping and gone in for grass-seeding?—That is the most profitable at the present time.

98. That is the reason—because there is more money in grass-seed than in oats?—And other things. There is the question of labour.

99. Is not Palmerston and Feilding the market for grass-seed and crops that are grown in the Sandon district?—Oh, no. It so happens that at the present moment all grass-seed is sent to Feilding and Palmerston for the purpose of being cleaned. There are certain merchants who will buy it, but they will not tell you where they sell it to. A very large proportion of our grass-seed must go into the Main Trunk district, where it is newly settled country and where the bush is down. If they could get the extension the farmers who are go-ahead would put up a cleaning-factory in Sandon, and then would not need to go to Feilding or Palmerston. I think it stands to reason that if they could avoid taking it several miles away to be cleaned they would do so.

100. I suppose you know that as a rule the farmers in Sandon sell their seed to the merchants in Palmerston and Feilding?—They do.

101. And it is the merchants who clean it?—The merchants charge us for cleaning.

102. The merchants dispose of a considerable portion of it by the Main Trunk line?—Yes, a considerable portion of it goes up there.

103. Do you know, for instance, that last year, or the year before, Barraud and Abraham bought up the whole of the grass-seed crop of Sandon?—You had better ask them that. They stated so, but I do not know.

104. How far is Sandon from Feilding by road?—About eight or nine miles.

105. And from Sandon to Palmerston?—Nine miles to Awahuri, and about seven miles to Sandon—that is sixteen miles altogether.

106. And from Sandon to Bull's is four miles?—Approximately.

107. Now, there is no closer settlement going on in the Sandon district, is there?—It is very valuable land, and the farmers are very well off, and consequently they do not want to sell their land. They are not speculators—they are farmers.

108. Then what do they want a railway for?—To get a little more out of their land.

109. Would this proposed railway deviation effect any subdivision of land, in your opinion?—In every case.

110. Is there any land along the proposed route which is suitable for closer settlement?—A considerable amount. Evidence will be put in showing the land that will be benefited.

111. Now, one of the objects of running your tramway was to save the roads, was it not?—Yes.

112. And the wear-and-tear on the county roads has increased every year?—Yes, unfortunately—especially by motor-cars.

113. I suppose that is one of the principal objects for extending this line—to save the roads?—No, not now. We want to get our produce away.

114. The question of saving the roads does not enter into the matter?—Yes, it is a factor; but the question of gravel is the main factor.

115. Do you know the class of country between Levin and Foxton?—I have passed through it frequently.

116. Do you know it is subject to frequent floods?—No.

117. No part of it south of Foxton?—I should think scarcely any. There is some portion by the river subject to flood, but none between Levin and Foxton. Perhaps I am wrong. Between Foxton and the river the land is subject to flood, but it is only a small area. I have never heard of the land across the river being subject to flood.

118. Now, the whole of the Manawatu country is well served with road, is it not ?—I suppose it is. We get frequent complaints about the insufficiency of roads. As time goes on the country becomes opened up, and the settlers want more roads. The properties are being cut up, and consequently more roads are required.

119. I understand that in your opinion the position is that so far as the proposed deviation of the railway is concerned, you do not believe in it—you are against that ?—No, just the other way. You speak of the deviation as distinct from the extension ?

120. Yes ?—No, I think that is absolutely certain to eventuate.

121. You think that is more necessary than the extension of the tramway ?—Not for the Manawatu County. I am giving evidence now as Chairman of the Manawatu County, and therefore evidence on behalf of it.

122. As far as the extension is concerned, you suggest that the extension should take place to Marton or Greatford ?—To such place as is thought advisable.

123. What place do you think best ?—The best place is just half way between Marton and Greatford, but the connection for an extension of that kind must be at a railway-station, and it is obvious the Government would not allow us to run on to their line unless they had some person to watch the connection. That is a matter for consideration and arrangement.

124. And at the other end you would stay where you are—that is, you connect at Himatangi ?—Yes, that remains as it is.

125. *Mr. Myers.*] What rolling-stock has the Manawatu County Council on its tramway ?—We have two engines and six wagons of our own, and we interchange. The Government supply us with wagons and we pay rent for them.

126. The wagons you have of your own are very old wagons, are they not ?—Five or six years old, perhaps.

127. Were they not old wagons when you purchased them ?—I do not remember.

128. But your own wagons are used mainly for the carriage of gravel ?—That was our reason for buying them, because the Government supply us with all the wagons we require for the goods, as a rule.

129. So that the Government has allowed you for a consideration the use of its wagons for the carriage of your goods, and it has also given you what amounts to a running-right over the line between Himatangi and Foxton ?—Yes. You spoke of the Government charging us a fee, but as a matter of fact, although we are prepared to go on with the present arrangements, we think they get the cream and we get the milk.

130. I suppose you assume that the same condition of things would obtain if you secured the extension that you desire ?—I presume so.

131. Your Council would consider that the Government should supply wagons for the carriage of all goods over your line both from Foxton and to and from the Main Trunk line ?—I presume so. I do not see why they should not. If they did not we could buy trucks of our own.

132. You would require a good many trucks for the traffic you anticipate ?—If there was an enormous traffic there we would provide trucks for it.

133. And even if you bought trucks of your own you would still expect running-right over the Main Trunk line, I suppose ?—No, we could not expect that.

134. Then if you had to tranship from your trucks to the Government trucks at the point of junction, would you be any better off ?—No; but I should imagine that the Government would not deal with a public body in that way. We do not assume that we would be allowed to go any farther than the deviation in that way.

135. *The Chairman.*] You do not mean that goods from your trucks would be emptied into the Government trucks ?—No, we would expect them to take our trucks away over their line.

136. *Mr. Myers.*] And you would expect them to bring the trucks down on your line, unless, of course, you purchased your own trucks ?—Why not ? I cannot imagine any act of reciprocity in that way being refused. It would be for their benefit.

137. *The Chairman.*] I understand you do not want the mere connection with Greatford, but you want the trucks to go on the main line to the destination ?—Yes, just the same as the Manawatu Railway Company did. They interchanged.

138. *Mr. Myers.*] Do you think your County Council could afford to buy trucks up to the Government standard ?—Why not ? You saw the valuation of our county, and it is only a question of the ratepayers desiring to do so. The difference between our trucks and the Government is that we cannot take them on the Government line because we have not the Westinghouse brake fitted. We bought the trucks for the carriage of gravel only, and do not send them on the Government line for that reason. The fitting of the Westinghouse brake does not mean a great deal of extra expenditure.

139. Am I to understand from the evidence you have given that this tramway extension is not required from the point of view of the dairy industry ?—No, except the coal question, which is a very serious one. The goods inward is an important matter, but the question of goods outward is not so important.

140. Now, I notice from these statistics you have put in that the dairying industry has gone ahead in your district ?—In that particular district.

141. In the district that would be served by the tramway ?—The lower portions of it.

142. But is not that served by the existing railway-line ?—Yes, partially, by the present railway-line to Foxton.

143. So that the tramway extension would not be required for that particular area ?—Why not ? You would go north.

144. You are practically next door to the railway-line ?—But if you did not want to send the produce away from Foxton it would probably go north.

145. But do you seriously suggest that the extension of the tramway is necessary for the development of the Himatangi Blocks ?—Not necessarily, but beneficial.

146. *The Chairman.*] The saving in the distance would be small in the case of that block ?—It would not benefit those people so much as others.

147. *Mr. Myers.*] You do not suggest that it has been kept in that way by the want of railway facilities ?—No, because it has been conducted on quite a different principle. It has been in Mr. Barber's hands as long as I remember.

148. Do you say that the output of crops is greater now than it was, say, ten or fifteen years ago ?—The statistics show the cropping-areas are similar.

149. So that as far as the export of crops is concerned northwards, that is problematical—except grass-seed ?—Yes, except grass-seed.

150. The question of the export of grain northwards is problematical ?—Not according to the quantity grown. Chaff is the thing we look forward to.

151. Would you say in what areas the dairying country is held, for the most part ?—That first-class land a little south of Rongotea is held in areas of from 20 to 600 acres.

152. But, for the most part, what is the average area of the dairy farms in this Manawatu district ?—You are speaking of the dairying part only ?

153. Yes ?—I say there is a difference of between 20 and 500 acres.

154. But, for the most part, the land is held in small areas ?—I should scarcely say that. I should think the wealthy dairy people hold it in areas of at least 100 acres. It is very rich land.

155. *The Chairman.*] How many dairy cows would 100 acres keep ?—One man and his wife can deal with twenty cows. If they have more than that number they must have labour. It is all a question of labour.

156. How many acres are required per cow ?—I expressed the opinion that there is a small area—a few hundred acres in the neighbourhood—that will carry one cow to the acre, but as a rule it will require 2 acres per cow. The land which carries the largest number will probably require to be relieved in the winter-time to give it a rest.

157. *Mr. Myers.*] Do I understand you to suggest that there is a tendency for the dairy-farmers to give up dairy-farming and take on sheep-farming ?—Not at present prices.

158. You think that is the probable tendency ?—I think that is the likely tendency.

159. Do you suggest to the Commission that those farmers could work their present holdings with sheep only and make a living ?—Yes, many of them could do very well indeed. If you go into lamb-fattening and conduct it properly you can turn a great many lambs off a small area.

160. But a great many of the farms consist of 20 and 50 acres ?—It is quite clear they could not do much on 20 acres: 100 acres would be the minimum.

161. Then the smaller people could not do it without aggregation ?—I should think not. The tendency with them would be to continue dairying, or to sell out at a profit usually.

162. Could you tell the Commission how many dairy-farmers there are in this district who have farms of 100 acres and over ?—No, I could not. It would be mere conjecture on my part.

163. You have put in the statistics of the Manawatu County by way of comparison between 1900 and 1911, but may we not take it that a large portion of the Manawatu County is already efficiently and sufficiently served by the existing railway, and would not derive any benefit at all from the new line or from your suggested extension ?—I have already said that there is a portion of the Manawatu County that we do not claim has any benefit, and I have tried to point out how it would not be affected.

164. You cannot split up these statistics in order to show how much land and how many people would derive direct benefit from your tramway extension and how many would not—I take it that is impossible ?—No, not impossible.

165. Or impracticable ?—No, not impracticable. If the Commission desires that information we can get it from our rate-books.

166. I understood Mr. Skerrett in his opening and you in your evidence to say that the trade which really, in your opinion, necessitates this extension has arisen in consequence of the opening-up of the Main Trunk line ?—We talked about extending it a long time before that, but it has greatly increased since the Main Trunk line opened.

167. Do you think the extension would have been justified before the Main Trunk line was opened up and completed ?—Yes, certainly it would, because the conditions changed rapidly.

168. As a matter of fact, the Bull's Town Board petitioned Parliament in 1904 for what it called the completion of railway communication from Levin to Greatford ?—I did not take any part in that.

169. Do you think it would have been justified then ?—Yes, I think distinctly so. You must understand that the alteration of settlement in New Zealand is very rapid. Take, for example, Taranaki: we had an excellent market in Taranaki for many years which we have not got now.

170. I am speaking now of the permanent new line or deviation, and not the mere extension ?—I beg your pardon: we are at cross-purposes.

171. I ask you whether you think a new line from Levin to Greatford or Marton would have been justified in 1904 ?—I think it was quite a reasonable thing to wait until the Main Trunk line was opened.

172. You were not supporting this petition in 1904 ?—Yes, because, in a way, I was a politician in those days.

173. You have spoken of the price of petrol being, I think, 2s. a gallon ?—Yes; but it is higher now. It has gone up very rapidly lately.

174. The pre-war price was a good deal less ?—I think about 1s. 5d. per gallon. The price I mentioned yesterday was not the normal price.

175. I suppose you have seen motor-lorries about the district, have you not ?—Yes, a few.

176. And I suppose they compete with the Sandon Tramway ?—No, they do not. They compete with the Government railway.

177. Do they not cart goods some of which would otherwise go to the Sandon Tramway ?—We have an unfortunate circumstance in that a motor-lorry runs from Palmerston to Foxton, competing with the Government line. It takes some very heavy loads, and we as a county objected very strongly indeed, because it is using our roads and not paying anything towards the rates. It was such a serious matter that we stopped the traffic for certain months in the year. That is going on consequently against the Government railway, and not against us. As far as I know, there is not the competition running alongside our tramway that there is against the Government railway.

178. Can you tell us whether motor-lorries are or are not encouraged by the Manawatu County Council ?—I should say we do not encourage them. They use the roads and do not pay anything towards the upkeep. We are neither encouraging or discouraging them.

179. How often does your tram run ?—It depends entirely on what we are doing. When we are taking gravel we run every day; but I think the tram runs five days a week in normal times.

180. You mean five trips a week ?—Yes; once down and once up. It used to be a tri-weekly service, but it has increased considerably.

181. I think you said that any wool from higher up the district would, if the tramway were extended, go through Foxton ?—I think it is probable.

182. It would depend upon whether the cost was cheaper one way or the other ?—Yes.

183. I suppose a certain quantity of goods would be carried from Wanganui down to Greatford or Feilding for your district, and carted from those stations ?—Not a great amount.

184. I am told there is a certain amount of goods traffic coming down that way ?—It is possible; there must be some, of course.

185. Then you have a certain amount of outward stuff coming from your district to Feilding and being carried by the Main Trunk line ?—I should imagine there must be some, yes.

186. Whatever there is, which is carried in the way I have described would be diverted to your line ?—From the line between Feilding and the point of connection on the Government line.

187. You mentioned yesterday the boat named the "Breeze" bringing oats from the South Island to Foxton ?—Yes. It is owned by A. H. Turnbull and Co., of Christchurch, who, I understand, are the Canterbury Steamship Company.

188. You do not know what part of Canterbury that particular shipment came from ?—No; I think most likely it would be Timaru.

189. Can you give us any idea when that shipment went to Foxton—within the last year or two ?—Oh, yes.*

190. Then, even if you had this extension and you were shipping grass-seed, chaff, or any other produce, there would still have to be a certain amount of cartage done, would there not, because all the famers do not live along the line of tramway ?—Yes, they would have to get to the nearest point.

191. Can you give the Commission any indication as to what you think would be the maximum distance that cartage would have to be done by any particular farmer who would be using the tramway ? Possibly four or five miles.

192. And of course coal and firewood would still have to be carted from the tramway ?—Yes, but a lesser distance.

193. I suppose you anticipate that the farms in what you call the upper or northern district will gradually improve, and that as time goes on less of your grass-seed will be required up there ?—There is always a rotation of crops.

194. I suppose there is a good deal of flat country round this upper or northern district from which you say you draw your ewes, from which lambs could be obtained ?—None at all, I should say. There is no country in the Waimarino that is suitable for fattening unless you would be able to grow turnips, but it is very cold and high country.

195. Where are the Taihape works going to draw their supply direct from ?—From Taihape itself. You can fatten two-tooth wethers on the grass, and get a certain number of milk-fat lambs from their mothers, according to the season.

196. All you have said assumes the probability of a number of people in your district who are now dairy-farming abandoning dairy-farming and taking up this new fattening business ?—Yes, probably. The farmer will do the best he can for himself and that which is most convenient. Dairying is not a very convenient occupation.

197. You have spoken of gravel from the bed of the Rangitikei, which you say will be useful to the Government for railway purposes ?—Yes.

198. But does the County Council own any portion of the river-bed ?—The Crown owns it, but it has never made any objection to people taking it.

199. Why do you say the Crown owns it ?—I suppose all the river-beds belong to the Crown. Up to a certain time the Crown grants were given to the centre of the river. Latterly they have not done so, the grants being only to the edge of the river. There is a road-line at the edge of the river, and a reserve in our hands.

---

* Witness subsequently wrote, "I find on inquiry that the 'Breeze' now, and has for some years, run to Wanganui instead of Foxton. I have often heard of it bringing oats for Marton and I assumed it came to Foxton, I now find I was mistaken."

200. You are assuming that the bed of the river is owned either by the County Council or by the Crown, and that the Railway Department will be able to take the gravel without payment ?—The Railway Department can take it from anywhere they like. It is so in this case. On the other side of the river the man there claims that you have to pay a rate or royalty.

201. *Mr. Skerrett.*] I understand you to say that it is essential for this tramway, where the site exists now or as extended, that there should be reciprocal running-rights over the Government line ?—That is for the extension, yes.

202. Either for the extension or the present line to Himatangi ?—It is essential for the benefit to us that we should take it to the junction and leave our trucks there, but they would obviously be paying us less.

203. That would not be a business proposition either from the county's point of view or from the Railway Department or consignor's point of view that you should tranship from one truck to another ?—No, we would never do that.

204. But that objection would apply equally to the existing tram which junctions at Himatangi ?—Yes, I should say very largely so, but not altogether so.

205. But the same principle applies—it is only a matter of degree ?—Yes.

206. I understand you to say that there would be no difficulty, if the Government refused to supply trucks for the carriage of goods, in the county providing those trucks themselves ?—I should say it all depends on the ratepayers. If the ratepayers say they want the trucks and agree to vote the money they will get them.

207. I understand you to say that the trade which you think will be diverted by the extension of the tramway to a point at or near Marton will not be a grain trade but will be to a large extent a trade in oaten chaff ?—That seems to me to be the likelihood.

208. *The Chairman.*] On your good corn land how many tons of chaff will you get per acre ?—It largely depends on the season.

209. Take the average season ?—2 to 2½ tons. In a good season it will run 3 tons, and in some cases more, but 2½ tons may be accepted as the general rule.

Statement by Mr. MYERS. (No. 20.)

Mr. Myers : Yesterday my learned friend Mr. Skerrett asked that I should prepare a memorandum giving the various heads of the Department's objections. I have done so. I propose to read it and hand copies to the members of the Commission. It is not intended to be exhaustive, but to give what I promised—namely, a general idea. It is as follows :—

DEPARTMENT'S OBJECTIONS.

1. *As to the Construction of a New Line from Levin to Foxton and Himatangi to Marton.*

1. Such a line is unnecessary, having regard to the volume of business, and is not likely to be required, if at all, for a very considerable time to come.

2. It would involve a very considerable capital expenditure, which the Department considers unnecessary and unjustifiable.

3. It would dislocate and disorganize the existing services in regard to both passengers and freight.

4. It would result in serious inconvenience to passengers on the Main Trunk line from Feilding, Palmerston North, and surrounding districts, Hawke's Bay, north of Palmerston, and Wairarapa, also to persons travelling by Main Trunk train from Wellington to Palmerston and Feilding. All such passengers might have to wait a long period in the early hours of the morning at Marton and Levin before being able to continue their journey.

5. It would not be a payable proposition, and would involve the Dominion in serious loss. It would necessitate a very large increase in the train-mileage. The bulk of the receipts from the line would only be earned at the expense of the existing line, and the receipts could not possibly recoup the working-expenses and the probable loss of earnings on the present line, let alone interest on capital expenditure on the new line.

6. It is proposed to reduce the grades in the neighbourhood of Kakariki, so that when this work is done there will be a uniform grade on this particular part of the line of 1 in 70, which will enable the maximum load to be hauled and largely increase the capacity of the line. This will cost only £50,000 ; but although this was recommended in 1913 and is part of the general scheme for railway improvement, the money required for this work and other more pressing requirements has not been available, owing mainly to altered financial conditions consequent on the war.

7. The duplication of the line between Palmerston and Marton suggested by Mr. Skerrett is not at all likely to be necessary. Even if any alteration should be required in order to increase the capacity of the section, such requirements can be satisfied by an occasional siding of—if it should be necessary—a length of even two or three miles. This is in accordance with recognized railway practice in other parts of the world.

8. The Horowhenua, Manawatu, and Rangitikei Counties and the boroughs which are asking to have the new line constructed are already well served by the railway and by excellent roads giving access to the railway, and within a reasonable distance of the railway ; and even if there were some reason to believe—which in the opinion of the Department there is not—that a new line would be a payable proposition, it is not in the interests of the Dominion as a whole that such line should be constructed while there are in the Dominion, and especially in the North Island, many districts

from which there is every prospect of obtaining a new and payable railway traffic with no railway connection and with practically no roads, or, at most, very poor roads. Road and railway facilities are therefore more urgently needed in such districts, and should, in the opinion of the Department, be provided before any large sum is spent in providing additional lines in localities already well provided with good roads and railway connections. There are several lines of railway at present in course of construction on which work has had to be stopped or curtailed through lack of funds, and work on those lines should be accelerated and completed before new lines are undertaken, more especially in districts which are already well served and in which the Department cannot see any prospect of payable traffic from a new line.

9. Even if a line were to be constructed between Levin and Foxton and between Himatangi and Marton, the Department could not make use of the existing tramway for that purpose. The tramway runs on a portion of the public road, and it would not be satisfactory to run express trains on a public road. Furthermore, not only would new sleepers be required, and also rails of the Government standard of 70 lb., but practically a complete rebuilding would be necessary, as the present formation is entirely unfit to carry the standard New Zealand rolling-stock, or to run trains on at anything but the lowest speed. Either a new route would have to be adopted or, if the existing line were made use of, there would have to be a new formation, and practically an entire reconstruction of the whole line. This would require land to be taken on one side of the railway, and in some cases on both sides, for the purpose of taking the standard 1 chain width for railway purposes, and to provide for a public road of 1 chain width. Moreover, the track should, if possible, be so constructed as that there should be 33 ft. on either side of the centre of the line of rails. The taking of this land involves acquiring 1 chain width for the railway, and this would include part, and in some cases the whole, of the existing road-formation. It would be necessary, then, for the Government to make a new public road to replace the existing road. Compensation would have to be paid to owners of private land taken; the railway would have to be fenced off from the road, and new fences have to be erected by the Government on the new boundaries of the properties along the line and road; plantations which have been specially made on the various properties along the route would have to be destroyed, and compensation paid therefor. It is possible that a few buildings along the line of route might also have to be removed and compensation paid. The telegraph posts and line for a considerable distance on one side, and for some distance on both sides, of the present road would have to be taken down and re-erected, which would further add to the expense. Again, there are a number of properties along the line the gates of which open immediately upon the present tramway-line: numerous crossings would be required to give the owners of these properties access to the road, and these would be a source of the greatest possible danger. As a matter of fact, so great would be the danger that the Department could not possibly permit such crossings on a main line. The only alternative would be to so construct the railway-line that there would be a road parallel with the line on either side of it, with provision for occasional crossings by subways or overhead bridges. This would involve taking land on both sides of the present line, with a corresponding increase in the cost of construction, compensation payable, and cost of fencing, &c.

II. *As to the Extension of Sandon Tram.*

1. It is contrary to the public interest in this Dominion, where the railways are State-owned, that any railways, or light railways junctioning with the State railways, should be permitted to be constructed by any person or corporation other than the State itself.

2. The State lines have been constructed with a view to serving the interests of the Dominion as a whole, and they are extended from time to time, and new railways are made from time to time, with the same object and in the same interest.

3. The present tramway could never have been operated at all by the County Council but for the assistance given by the Railway Department in the direction of permitting the use of certain of its rolling-stock. If the line were permitted to junction with the State line the County Council could not rely upon obtaining rolling-stock which would be required if the traffic on the tramway materially increased.

4. The connection desired is not necessary, having regard to the means existing in the district of good road-access to the State railway and to improved methods of road traction, and the expense of the extension and the cost of the new bridge that would be required over the Rangitikei River would not be justified.

5. If the tramway were extended and were made payable, it could only be made so payable to the detriment and at the expense of the State railway, and with the assistance of the Railway Department in providing the rolling-stock required by the tramway, or giving the County Council, if it acquired its own rolling-stock, running-rights over the State lines.

6. If the tramway were extended, traffic which now passes over the State lines would be diverted. The traffic between Wellington and Palmerston and other stations would be affected. Also traffic which now goes to Wanganui, and thence down the line and also up the Main Trunk line would be diverted through Foxton and the Sandon Tramway. If this resulted in an appreciable loss of revenue, and more especially if the Foxton wharfages be also lost to the Department, such loss would have to be recouped by increasing freights and fares on other sections of the main line or other lines, and [or] by special rates of freight to compete with the Sandon Tramway and the sea freights to and from Foxton.

7. While, if the tramway has to be extended to junction with the main line, the acquisition of the tramway and the extension of the line by the Department would be preferable to allowing the extension to be made by the County Council, such acquisition and extension are not considered either desirable

or justifiable. It is unreasonable to ask the Government to acquire the tramway—firstly, because the tramway is not in such a condition as would justify its use by the Railway Department, and would have to be reconstructed; secondly, because the traffic of the tramway, if extended, would be earned mainly at the expense of the existing State line; and, thirdly, because the Department does not consider that the tramway, if extended, would be a payable proposition. The Department further contends that the tramway in its present condition is of little or no value, whether regarded intrinsically as a tramway or as a going concern to be acquired on the basis of capitalized profits.

WILLIAM JOHN PHILLIPS sworn and examined. (No. 21.)

1. *Mr. Skerrett.*] You are a farmer residing where?—At Sandon, adjoining Bunnythorpe.
2. How long have you resided there?—Forty-four years.
3. What is the extent of your holding?—420 acres.
4. I think you have given consideration to the question of the subdivision of the lower part of the Manawatu County?—Yes.
5. Would you mind indicating on the plan the general portion of the Manawatu County to which your evidence will relate; your evidence is confined to the Manawatu County?—Yes, starting from Moutoa.
6. It is practically the line between the Manawatu River and the Rangitikei River, extending to the east to the Oroua?—Yes.
7. It makes a total of nineteen holdings containing 41,705 acres?—Yes; they are coloured on the plan with a brown line and yellow inside.
8. *The Chairman.*] The holding you referred to in the statement is that marked on the plan coloured brown and yellow?—Yes, except the southern portion of Sir James Wilson's station.
9. *Mr. Skerrett.*] This is a copy of the subdivision [produced]?—Yes.
10. It reads, "As to the suitability for subdivision of blocks of land in the Manawatu County, at the present time properties to the following extent are held: One holding of 7,227 acres, one holding of 7,303 acres, one holding of 4,227 acres, one holding of 3,433 acres, one holding of 2,033 acres, one holding of 1,825 acres, one holding of 1,765 acres, one holding of 1,754 acres, one holding of 1,519 acres, one holding of 1,500 acres, one holding of 1,385 acres, one holding of 1,359 acres, one holding of of 1,323 acres, one holding of 1,019 acres, one holding of 977 acres, one holding of 820 acres, one holding of 803 acres, one holding of 757 acres, one holding of 676 acres: making a total of nineteen holdings containing 41,705 acres. The capital value of this land, as shown by the Government valuation rolls, is £424,278, and the unimproved value £323,250. This valuation was made five years ago; and if the properties were reassessed to-day a greater value would be shown. The whole of the 41,700 acres is admirably suitable for closer settlement, and could be subdivided to great advantage. 8,000 acres of it is as rich land as any in the Dominion, and could be subdivided into farms of from 50 to 100 acres; 25,000 acres could be subdivided into farms of from 100 to 200 acres, 8,700 of which could be divided into farms of from 200 to 400 acres. On an average basis the total nineteen holdings could be cut up into 301 farms supporting 301 families. The greater portion of the farms would be used for dairying and agricultural farming, and the produce would all be hauled over the railway. Only the larger portions in the county have been dealt with; but in addition there are a large number of properties of about 500 acres which could be subdivided. In our opinion the extension of the tramway would have a tendency to induce settlers to subdivide their properties"?—Yes. [See Exhibit 20.]
11. Do you think that the construction of the extension to Marton would have a tendency towards the subdivision of those properties?—Yes, because they could get the stuff away.
12. I think you have, in conjunction with Mr. Penny, prepared a statement correlating the holdings in the Manawatu County. The area of the Manawatu County is 267 square miles, or a total of 170,880 acres?—Yes.
13. And each of the holdings with which your evidence deals, and which is capable of subdivision, amounts to 41,708?—Yes.
14. There are two large holdings in the county not suitable for subdivision?—Yes.
15. Where are those holdings situated?—On the Rangitikei River. [Statement put in.]
16. You are aware of the conditions of carting in the Sandon district?—Yes.
17. What would be the cost of carting chaff to the railway-line for a distance of, say, half a mile?—4s. 6d. per ton.
18. What would it be for carting it two miles?—You would not be able to take many loads on account of the time in loading. It would not be much more than about 6s. per ton altogether.
19. Take six miles, for instance: what would be the cost per mile for cartage?—That makes it very awkward, because you cannot make two trips a day for six miles, but I should say 10s. or 12s.
20. And eight miles?—Fifteen shillings.
21. Is it feasible, in your opinion as a farmer, to cart agricultural produce to a railway-station distant over four miles?—No, and it is not likely to be.
22. *The Chairman.*] Are you aware of the distances in Canterbury: you do not suggest that all the farmers have railways within four miles?—No. The reason of that is that we cannot afford the time for the horses to be taken off the farm.
23. But there is only one central line of railway, in the centre?—Yes; but we have only a certain number of horses on a farm, and when one crop is out we have to put in another, and we cannot afford to do our own carting.

24. What proportion of your produce do you sell: you require oaten chaff for yourselves for feeding your horses and cattle?—Yes.

25. How much would you be able to sell out of your produce?—If we have 100 acres we sell all but about 10 to 15 tons, which we keep for ourselves.

26. If you had 200 tons you would only keep 15 tons?—Not much more—say 20 tons.

27. That is about one-tenth which you would keep for yourself?—Yes.

28. *Mr. Skerrett.*] A five-horse team carting six miles to the railway will carry what load?—4 tons.

29. And how many trips would that team make?—You would not make two trips a day, but about three trips in two days—one short day and one long day.

30. What would be the cost of such a team in that district per day?—£3.

31. So that it would cost £6 in two days, which would average 10s. per ton?—Yes.

32. In the cartage is not included the loading into the railway-truck?—Yes; that would be included in the cost of the cartage

33. So that the carter loads his wagon at the farm and loads it at the railway-truck?—Yes; but he has some hands to assist at the railway.

34. Who pays the men to assist?—I do not know. I have not paid them; probably the carter does.

35. How far is Sandon from Greatford?—Nine miles.

36. And that is the place from which the greatest quantity of agricultural produce would come?—Yes.

37. How is chaff usually sold—on the truck?—Yes.

38. At the nearest railway-station?—Yes.

39. The purchaser paying freight to its destination?—Yes.

40. What is the extra freight which the Sandon farmers and the neighbouring farmers have to pay by the present method by tram to Himatangi and train to Greatford?—Something in the region of 8s. 9d. per ton.

41. Is it your opinion that the farmers in the Sandon district can compete with the farmer in the neighbourhood of Marton in oaten chaff?—No, they cannot compete in that.

42. *The Chairman.*] They might compete, but not successfully?—No, not as a business proposition.

43. *Mr. Skerrett.*] Could they make any profit?—No. They would make a small profit, but other things would pay better than that, and for that reason they go in for other things which are more profitable.

44. What is the price of chaff per ton at present?—About £4 per ton.

45. The cartage from Sandon would cost 15s. per ton?—Yes. When you take into consideration the value of the land, the siding, and the rest of it, you would not have 5s. per ton for yourself at £4 per ton.

46. Would you have any difficulty in subdividing your property?—No, none whatever. It is roaded on two sides and the front.

47. I mean in regard to its quality?—No—into 100-acre blocks.

48. Would you have any difficulty in disposing of your chaff? What do the farmers in the Sandon district do with their straw?—They burn it.

49. How many tons of straw were burnt in the Sandon district last season?—In the average season there would be something in the region of 1,000 tons burnt.

50. What is it worth?—It is worth from £2 10s. to £3 per ton threshed.

51. What do you do with the grass after the seed has been threshed from it?—It is nearly all burnt.

52. Is that a valuable article for the market?—If we could get it north it is.

53. *Mr. Hannay.*] How much of that is burnt?—There is a lot of country out there in grass-seed, but I could not tell because I do not know how the hay turns out per acre.

54. *Mr. Skerrett.*] Is there a ready market for the straw?—Yes, in the winter-time there is a very ready market for it.

55. And that would all go north and be carried over the railway?—Or go into the higher country.

56. And would, of course, produce freight for the Railway Department?—Yes.

57. *Mr. Innes.*] The Sandon farmers have in recent years given up cropping and gone in for grass-seeding?—Yes. They do both, but grass-seeding predominates.

58. Has not the price of grass-seed in the last few years been abnormally high?—Yes, especially the last year.

59. It is almost double, is it not?—No, there is about 1s. 6d. difference. The original price was 6s. 6d. as against 8s. now.

60. That grass-seed comes to Palmerston and Feilding?—Yes.

61. And is carted by the farmers themselves?—Yes, to wherever they could get it to a station, when is it put on the tram.

62. And do they always send it to Himatangi?—Yes. That is handier than carting to Palmerston North, because we cannot do without the horses on the farm.

63. But is it cheaper?—Yes, I should think it is cheaper. At all events, it is much more convenient.

64. Was there any straw burnt in the Sandon district this year?—Yes, practically all was burnt.

65. What was it worth in the market as chaff?—About £2 10s., I think.

66. Do you suggest that it would not pay you to cut it up into chaff?—No, it hardly does. 17s. 6d. a ton is what they have been charging for cutting, and it is of a bulky nature.

67. Would you not get a ready market at Palmerston or Feilding ?—No, there is no demand.

68. What class of oats sell there ?—Algerian principally. When you thresh chaff you cannot get the same quantity per ton. It takes forty per ton with straw chaff, whereas it takes twenty-eight with sheaf chaff.

69. You can grow no oats there except Algerian ?—Yes, and they have been grown continuously for the last eight or ten years.

70. Chaff other than Algerian chaff commands a better price ?—I have not heard so. Algerian chaff is a good chaff, and realizes just as much.

71. You pay 17s. 6d. to cut it, and that includes bags ?—Yes, but not the cost of the bags.

72. *The Chairman.*] As a rule how many bushels of oats do you get to the acre ?—Sixty would be a fair average.

73. *Mr. Innes.*] You thresh oats ?—Yes.

74. You do not often cut up chaff for your own use, do you ?—Occasionally. It pays to do so if necessary, because then the straw takes up less room. It is only occasionally that we cut up straw for our own use.

75. Apparently you make £1 per ton by sending it to Feilding ?—Oh, no. For example, you have forty bags to the ton, at 6d. per bag.

76. But you sell the bags with the chaff ?—Yes, but we lose 1d. or 2d. on each bag.

77. You suggest that a great quantity of the holdings which you refer to would probably be subdivided if the tramway was extended ?—Yes, I think they would.

78. Is it not a fact that a large bulk of the holdings you refer to in the southern portion of the Manawatu County are near Foxton and a little north of Foxton ?—Yes; Robinson's and those places.

79. And they are all within a mile or so of the present railway to Foxton ?—Yes, they are not far away.

80. If the railway running from Palmerston to Foxton has not induced the owners to subdivide the land, how do you suggest that the extension of the tram to Marton is going to have that effect ?—There are other farms. They will not subdivide very much unless they are compelled to. I am taking the Robinson family.

81. The same remarks apply to those large blocks of Himatangi land ?—Yes.

82. You do not suggest that the extension of the tramway can affect those blocks, do you ?—No.

83. Do you think the Rangitikei lands might be affected ?—Yes, at Tikorea and north of Sandon and through Sandon. I mean Mr. Donald Fraser's land on this side of the river is suitable for subdividing.

84. Do you think Mr. Donald Fraser is going to be induced to cut up his land on account of the extension of the tramway ?—Yes. I do not think there is a doubt but that the land will be cut up.

85. *Mr. Myers.*] What articles do you produce on your farm ?—Grain, sheep, wool, and grass-seed. Last year I had 100 acres of grain, and this year 30 acres. I sent the grain to Palmerston North by the tram to Himatangi.

86. Have you ever considered the question of using the motor-lorry ?—No, I have not. I do not think it would be of very much use.

87. Why not ?—There is not enough running to take the whole of the requirements of the district. I have not tried it myself, so I could not say.

88. There are some motor-lorries running ?—Not for farming purposes.

89. *The Chairman.*] You take your stuff down to Himatangi ?—We send it by tram to Himatangi and then by railway to Palmerston. The only lorries that are running to Sandon are Feilding lorries.

90. But they carry farm produce ?—No, the amount is not worth talking about. They cart fencing and heavy iron and that sort of thing, but they come back practically empty. They are principally private lorries.

91. Would you tell me what is the tram charge per ton on chaff from Sandon to Himatangi ?—No, I cannot.

92. If you cannot, how is it you told the Commission there is a difference of 8s. 9d. ?—I reckoned it up from the railway. As a matter of fact, I do not pay freight. The merchant who buys the stuff pays the freight. I sell it on the truck and they pay all charges.

93. You told the Commission there was a difference of 8s. 9d. per ton ?—I got those figures from our clerk.

94. How is the dairy-produce taken away from the district ?—Between the Rangitikei and Rongotea.

95. That is not taken away by tram ?—No, it is more convenient the other way.

96. What do you mean by the statement, "The greater portion of the farms would be used for dairy and agricultural farming, and the produce would all be hauled over the railway": are you referring to a new line from Levin to Marton, or are you referring to the extension of the tramway ?—We were referring to the extension of the tramway, because we thought it would pay to Longburn. Dairying in the north has only sprung into existence recently.

97. Are you contemplating subdividing your own land ?—I have not thought of it. It is a nice home, and I had not thought of it. I do not wish to cut it up at the present price.

98. I suppose you think that if the tramway were extended or a new railway was put in it would increase the value of your property ?—I never thought of it in that direction because I never intended to leave my place.

99. I suppose it would increase the value of your place ?—I looked at it more from a convenience point of view than from the value of the place. A good outlet generally increases the value.

Statement by Mr. INNES. (No. 22.)

Mr. Innes: The present might be a convenient time for me to put in a list of the objections taken by the local bodies represented by me. The objections are from Palmerston North and Feilding Boroughs, Kairanga County Council, Oroua County Council, Kiwitea County Council, and Pohangina County Council.

LOCAL BODIES' OBJECTIONS.

As to the Proposed Railway-deviation.

1. The proposed line is not required in the public interest, and would be an expensive and unnecessary luxury.
2. The proposed line would open no new country, and would not effect the closer settlement or subdivision of existing holdings.
3. The population to be served by the line is small. Such population is now well served by good roads, and are all within easy distance of markets and railways.
4. The line would be costly, and any small benefit that might accrue would not be warranted by the expenditure.
5. The proposed line would not pay.
6. Many other lines are urgently required and are entitled to precedence.
7. Such line would seriously inconvenience the Wairarapa and Hawke's Bay districts.

As to the Proposed Extension of Tram-lines.

1. That it is undesirable in the public interest to connect tramways with the railway system.
2. That the cost of such extension would not be justified by the little benefit to be obtained.

WILLIAM STRODE PENNY sworn and examined. (No. 23.)

1. *Mr. Luckie.*] You are a farmer residing in Sanson?—Yes.
2. And you have been there practically all your life?—Yes, I was born there.
3. You know the whole of the Manawatu district thoroughly which has been referred to by Mr. Phillips?—Yes.
4. And you agree with him in regard to the report* that was put in this morning as to those areas of property comprising altogether 41,705 acres in nineteen holdings?—Yes.
5. And all capable and suitable for subdivision?—Yes.
6. The statement which was put in by him was prepared in collaboration with yourself?—Yes.
7. There is a reference in one of the later paragraphs of the report to a large number of properties of about 500 acres which are suitable for subdivision. Do you know how many of those holdings there are?—Forty.
8. And the total area?—About 21,000 acres.
9. There are total areas amounting to over 62,000 acres held at present in about sixty holdings which are capable of subdivision and closer settlement?—Yes.
10. And you agree with this statement as to the number into which the 41,700 acres could be subdivided?—Yes.
11. A total of 301 farms supporting as many families in place of the nineteen?—Yes, and the forty extra holdings would also subdivide to areas of about 100 to 200 acres.
12. In your opinion would that subdivision be induced by the extension of the existing tram to Greatford or Marton?—Yes, we would get our produce away better—that is, oats, wheat, and chaff. The chaff which is burnt now would find a market.
13. In your opinion is there an increasing demand for that class of produce from your district?—Yes.
14. And that is due to what?—To the development of the country to the north. It is higher country and they have harder winters, when they are required to feed their stock.
15. Then you have a similar demand from Taranaki?—Yes.
16. And also from a large part of the Auckland Province?—Yes, and that is growing.
17. And in your opinion is it likely to be permanent?—Yes.
18. And is this the most suitable class of country for supplying this demand?—Yes, it is very suitable.
19. Why is it particularly suitable for growing that class of produce?—It is land that requires cultivation, and to get the best results from it we have to cultivate it.
20. And that is the natural course adopted in the growing of the crops such as you have mentioned?—Yes.
21. That is independent of the dairying industry?—Yes.
22. Would the dairy industry also be beneficially affected by this connection?—Yes, by renewing the pastures every few years you get more grass and the stock do better.
23. And they would have better communication for the stuff imported and the stuff sent away?—Yes.
24. What, in your opinion, is it that at present prevents the possibility of this district competing successfully with the farmers in and about the Marton district in the chaff and grain export business?—The extra railage through Sandon, Himatangi, and Palmerston North to Greatford.

---

* See Mr. Phillips's evidence, questions 9 and 10, and Exhibit 20.

25. What has happened in connection with the straw produced by those farmers who have been growing grain crops in your district ?—Well, it is burnt. It does not pay to handle it. The freights kill it.

26. Supposing the method adopted were that of carting it to the nearest railway-line, what would it cost for carting, say, six miles, which is the shortest distance any settlers would have to cart it ?—10s. or 12s. 6d. per ton.

27. And eight miles ?—15s. per ton.

28. And, say, ten to twelve miles ?—£1 per ton.

29. Is any one of those charges sufficiently high to prohibit the possibility of its being produced on payable conditions ?—We could not pay the freights.

30. And is that the reason it has been destroyed ?—Yes.

31. Do you agree with Mr. Phillips when he says the average destruction amounts in the district to about 1,000 tons ?—Yes.

32. And it is worth from about £2 10s. to £3 per ton ?—Yes.

33. And assuming it was taken to a place a hundred miles north of Marton, the railage on that stuff is lost to the Railway Department ?—Yes.

34. In your opinion, suppose the railway-line were constructed through the present land occupied by the Sanson line, would that have an effect on settlement in the district ?—Yes, there would be closer and more intense farming.

35. What, in your opinion, is the highest freight you could afford to pay in carrying chaff to the railway and make it pay ?—I could not say.

36. But it does not pay at the price you have to pay now ?—No. It is very bulky stuff, and you cannot get much in a load except you have a wagon. Some of the farmers do not have wagons, and they have to pay for cartage.

37. Mention has been made of motor-lorries. What are the difficulties attending the use of motor-lorries ?—You cannot take them off the roads. You would have to shift the produce from the paddocks on to the roads. You cannot get motor-lorries up to the stacks.

38. And the extra handling in cartage from the stacks to the motor-lorries would be so much extra expense ?—Yes.

39. Can you carry the same satisfactory loads on motor-lorries that you can on ordinary wagons or trucks ?—No, I do not think you can.

40. *The Chairman.*] I suppose you have not tried rearing pigs in this district to any extent, have you ?—No.

41. *Mr. Myers.*] What is your own area ?—About 590 acres.

42. And how far are you from the tram-line now ?—It runs through our place.

43. Are you near Sanson ?—Two miles to the south—between Makawai and Sandon.

44. How long have you been farming in that particular property ?—Forty-odd years. I was born on the farm.

45. Can you give us any idea of the price at which land sells in your neighbourhood now ?—£30 to £40 per acre.

46. I suppose there are very few sales—the land is very strongly held ?—Yes; there is not much changing hands.

47. And most of it is held by old settlers who bought their land in the early days at low prices ?—Yes.

48. Why does it not pay you to send your straw to market: could you not make £1 a ton on it ?—It is very bulky stuff to handle for one thing, and it would cost very nearly £1 per ton to cut it.

49. Have you gone into figures to see how much per ton you could net on it ?—We cannot get the market—that is the trouble; and to send it up the line to where it is used the freight kills it.

50. What is your land mostly used for ?—Mixed farming.

51. *Mr. Hannay.*] How many acres of oats had you this year ?—Thirty-five.

52. *The Chairman.*] I suppose you would need that mostly for your own cattle and horses ?—We threshed it and burnt the straw.

53. *Mr. Hannay.*] Why did you not use the straw ?—Of course, we grow grass-seed, and we have sufficient grass hay to carry the cattle.

54. *Mr. Myers.*] You spoke about the subdivision of these areas: can you tell us why the subdivision has not already been made if the land is worth £30 or £40 per acre ?—The neighbours have bought one another out. Many of the holdings were originally small sections.

55. You say you do not want to cut up your area ?—That is so, but we might cut it up to advantage.

56. You have not thought of cutting it up so far ?—No. Of course, a man could make a good living off 100 acres of this land, because you could dairy off it.

57. But you do not want a tramway for that, because the dairy-produce does not use the tramway ?—Not a great deal, except for coal.

58. I was referring to exports. Still, you think the extension of the tram-line or construction of the railway would tend towards the cutting-up of those areas ?—Yes, I think so.

59. *Mr. Luckie.*] The Chairman asked you a question about pig-farming. The experience in your district is that it is mainly a concomitant of dairy-farming and is run in conjunction with it ?—Yes, that is so.

60. And as a matter of fact they do go down over the tram at the present time ?—Yes.

61. One of the great difficulties, I understand, is to import material for your own use ?—Yes.

62. You cannot get firewood ?—We burn coal now because the cost of freight on firewood makes it prohibitive.

63. And the same difficulty arises in connection with fencing-posts, and will have to be met by closer subdivision of the district ?—Yes.

64. And the building of cow-sheds, which would be a necessary consequence of closer settlement, would be almost prohibitive on account of the distance the stuff has to come ?—Yes.

65. You say you threshed your oats and burnt the straw ?—Yes.

66. Was that the general practice followed by the farmers in your district ?—Yes.

67. Would you have done so had there been connection to Greatford—would it have paid you ?—Yes, if we had a market for it we would have done so.

68. The market was there if you could have got to it ?—Yes.

KENNETH WARING DALRYMPLE sworn and examined. (No. 24.)

1. *Mr. Luckie.*] You reside at Bull's ?—Yes, just below Bull's.

2. And you are a farm-manager ?—Yes; I manage my father's estate.

3. I believe you have lived practically all your life in that neighbourhood ?—More or less in the Manawatu, and I am well acquainted with the lower Rangitikei.

4. You have prepared a statement of the properties which are most suitable for subdivision ?—Yes.

5. This is the statement [produced] ?—Yes. It reads, "(1.) McKelvie, L.—'Flock House': Area, 3,331 acres; from seven to ten miles from Bull's; a large proportion first-class fattening, agricultural, or dairying land. Would subdivide into twelve sections of 150 acres to 300 acres practically roaded as it is. (2.) Dalrymple Estate, J. T.—'Waitatapai': Area, 8,370 acres; from seven to ten miles from Bull's; mixed sandy hills, swampy flats, suitable for fattening and dairying and a part agricultural. Would subdivide into fifteen sections of 200 acres to 1,200 acres. Would require about five miles of road; metal handy; easy country to road. (3.) Fraser, Donald—'Pukehou': Area, 2,505 acres; from four to six miles from Bull's; large proportion first-class agricultural land, balance first-class fattening or dairy land and light sandy flats. Would subdivide into six sections of from 100 to 500 acres. Short road required; metal handy. (4.) Wilson Bros.—'Sandtoft': Area, 8,370 acres; from seven to nine miles from Bull's; mixed agricultural, dairy, fattening, and grazing land. Would subdivide into fifteen sections of from 200 to 1,000 acres. Would require eight miles of road; metal fairly handy; easy to road. All these blocks of land are similar to other blocks of land near by that have been subdivided at different times into areas as suggested and have been found to be successful, nearly all original holders having sold at higher prices, and the present holders are doing well."

6. These estates would be materially served and given considerable advantages if that connection between Pukenui and Greatford were carried into effect ?—Yes.

7. And closer settlement would be thereby induced ?—Yes.

8. Where is the market for the bulk of your produce now ?—It goes to Greatford. It is chiefly fat stock and dairy-produce.

9. Is the bulk of your land suitable for agricultural purposes ?—Yes, a good proportion of it.

10. *The Chairman.*] But you have sand ridges on your land ?—Yes.

11. *Mr. Luckie.*] Have you included those sandy portions right on the coast ?—No.

12. Those sand ridges are mixed up with the other classes of country ?—Yes; it is similar to the Himatangi country.

13. And is a considerable portion of it suitable for crop-growing ?—Yes.

14. What prevents it from being used for the purpose of crop-growing ?—The freight. The cartage to the railway precludes that.

15. You have heard what Mr. Phillips and Mr. Penny have said: are the figures they have given correct ?—Yes, quite correct.

16. And they are sufficiently high to exclude the possibility of your going into that kind of business ?—Yes.

17. Do you know of any instances of farmers in that district who have been farming in that way and have gone out of it ?—No; generally speaking, the farmers who are there have been there for a great many years.

18. But I mean, have they gone out of the business of crop-growing ?—No.

19. Those properties you have mentioned with better means of access would all be more closely settled ?—Yes, the chances are that they would. It gives them the opportunity.

20. *Mr. Innes.*] The only effect of the construction of this line so far as these particular large areas are concerned would be to have a railway-station at Bull's instead of at Greatford ?—That would be one.

21. Your nearest station would be Bull's instead of Greatford ?—Yes.

22. Now, that is the only advantage of the railway there, is it not ?—Are you speaking of the extension or the connection ?

23. It does not matter which ?—It does mean a great deal.

24. If there was an extension it would follow approximately the same line as if the railway were constructed ?—If it was connected from Levin to Foxton it would mean a great deal more advantage than to have an extension only.

25. Would the extension from Pukenui to Marton have any effect on those lands ?—Yes, a great deal. It would give that country that is suitable for the growing of chaff and grain a market. It would enable timber and coal to come down into that district a good deal cheaper than it does now. The cartage to Bull's from Greatford on timber is almost the same as the railage from Ohakune to Greatford. You would save the difference in freight and get a better market.

26. None of those lands you mention are used for cropping except perhaps for their own use ?—Only a small portion of Wilson Bros'.

27. Do you suggest that the line would be of any benefit at all to Wilson Bros.' property ?—Yes, certainly.

28. It is much closer to Marton than the proposed line, is it not ?—Part of it is as close. There is a road that runs out practically in a straight line from Bull's that would bring a large portion of very good land close to the railway.

29. How far is that [pointing out the part of Wilson Bros.' nearest to Marton] by road from Marton at present ?—About six or seven miles.

30. Do you suggest, in view of the fact that it is within six or seven miles of Marton, that the construction of the line or extension of the tramway to Greatford is going to have the slightest effect so far as the subdivision of that estate is concerned ?—Yes.

31. Well, why do they not subdivide now if they are within six miles of the railway ?—They may not want to.

32. If the tram were extended, still they would not want to ?—But it gives a better opportunity to subdivide. There would be a better demand. You cannot subdivide a place when there are no good means of communication to the market, and a small man has to be able to get at the markets not only one way but also the other.

33. But six miles is not far to a market ?—No.

34. And no part of Wilson's, McKelvie's, Dalrymple's, or Fraser's property would be touched by this proposed tramway ?—No. The only way it would affect it is that it would bring it four miles nearer.

35. It would not bring Wilson's nearer, would it ?—Yes, a good part of it.

36. Do you mean to say that Bull's would be nearer by four miles to Wilson's than at present ?—Four miles nearer to the railway.

37. Then I take it the position is this: that all those large landowners could, if they desired, efficiently subdivide and sell their properties to-day if they wanted to ?—Yes.

38. But they do not want to do so if they can help it ?—I do not know.

39. If they can get the line extended and so get another £2 or £3 per acre they may be induced to consider it ?—It is always a consideration.

40. *Mr. Luckie.*] In your opinion the extension of the tram-line would be an advantage to the Dalrymple Estate. Would you be willing to agree to that area being included in a special-rating area for the purpose of financing the loan required to pay for the proposed extension if permission were given to make the extension ?—Yes.

41. And a deviation of the Main Trunk line in the direction indicated through Foxton and Levin would be of great advantage to all the people in the neighbourhood for the purpose of getting their wool and other produce away ?—Yes.

42. And they would pay less freight ?—Yes.

43. Where do you send wool at the present time ?—It goes to Foxton via Pukenui, and is then shipped to Wellington.

44. And how do you get your coal and other supplies in ?—They are generally carted from Greatford in horse-wagons.

FRED PURNELL sworn and examined. (No. 25.)

1. *Mr. Skerrett.*] What are you ?—A grain-merchant residing at Marton Junction.

2. And I think you are managing director for Wilson and Co. (Limited), who carry on an extensive business as grain-merchants in Marton ?—Yes, with branches on the Main Trunk line.

3. The turnover of your company is pretty considerable in grain and produce ?—Yes. We specialize particularly in chaff.

4. Previously, I think, you were County Clerk to the Manawatu County ?—Yes.

5. And manager of the Sandon Tramway ?—Yes, that is so.

6. Over what period of years was that ?—About ten years.

7. Have you, in addition, had any farming experience ?—Yes, we are also farming in Marton.

8. You are therefore thoroughly acquainted with the Sandon district and with the conditions of Marton for produce in and about Marton ?—Yes, that is so.

9. You know that for many years the Manawatu County have been endeavouring to secure permission to extend the tramway to Marton and to junction it to the Government line ?—Yes, since about 1898.

10. In your opinion, would that be beneficial to the Sandon district, and would it open new markets for their produce ?—Yes, decidedly so.

11. Do you mind stating in your own words your reasons for that opinion, first of all, considering the character of the new market ?—Well, the main point is that the upper and lower districts are eminently suited for the extension of the traffic which the other district does not possess, and *vice versa*. That is very largely so in regard to grain and sheep. There is a mutual exchange of sheep. For instance, the young ewes are sent up into the higher district and the hoggets are sold every year. The ewes are sent from the upper district to be bred from in the lower and less hilly country at four and five years of age. There is a mutual exchange of traffic going on the whole time.

12. So that the upper district supplies stock which is to be fattened ?—Yes, and also for breeding purposes.

13. *The Chairman.*] You do not take store ewes down by train, do you?—Yes, the great bulk of them.

14. You do not drive them, do you?—No. Rarely anything is driven now, as the knocking-about they get is so much that it does not pay: it takes so much out of store sheep. Some of them are brought from north Taihape. You perhaps have six or eight days, and the sheep certainly do not improve with driving, whereas they are sent down in a few hours by train—possibly four hours.

15. What do they charge for sending them down?—From Mangaweka, 4d. per lamb, from Taihape 5d.; and you would get them on your own farm in the same day.

16. Where are they put out at?—Marton Junction or Greatford.

17. Then you would not have far to drive them to get them to this district?—No; only it would be far better to get them home to Sandon the same day. Even now some are railed right to the farm by a round-about method. Some farmers consider it better to adopt that method, and so save the knocking-about and get them there quickly.

18. *Mr. Skerrett.*] Is it the accepted practice of farmers in that district to wherever possible rail their fat stock?—Yes.

19. And they find it pays?—Yes.

20. Will you now deal with the question of grain in relation to the same question of mutual trade between the lower and upper districts?—We know that at the present time there is practically an unlimited demand for grain and produce from the Main Trunk district north of Marton, by which at the present time the Sandon district does not benefit.

21. I want you to give to the Commission some figures showing the extent of that trade and its permanency?—At the present time there is practically nothing that leaves the Sandon district that would go to the Main Trunk district, and I think it would be a fair thing to compare that with the Marton district, taking the triangular portion, say, Bonny Glen on the Wanganui side and Porewa on the Main Trunk side and past Halcombe. I think it would be fair to say that in that particular district there are about 600,000 sacks of grain sent away every year, the bulk of it oaten chaff.

22. Where is that product distributed?—Practically to every station north of Marton as far as up and beyond Auckland and Rotorua, and to New Plymouth on the other side; and in some years as far as Napier, but as a rule that would be abnormal in the case of the latter.

23. Is the Taranaki trade normal—a trade on which you can depend in the seasons?—Yes, it is a normal trade, and has been so for many years.

24. What have you to say as to the permanency of the trade?—The Auckland trade has been permanent, I suppose, for five years. It is an increasing trade; but the Taranaki trade is more normal.

25. There is a strong demand for this class of produce from the northern district?—Yes.

26. Do you sell largely yourself in that district?—Yes; I suppose we would turn over 125,000 sacks in the year, none of them from the Sandon district.

27. *The Chairman.*] What price are you getting per ton?—I think the fairest way is to say what price we have been paying. We have been paying £3 10s. per ton at Marton, on trucks up to £4; £3 10s. would probably be the minimum this year. There are approximately twenty-eight sacks to the ton.

28. *Mr. Skerrett.*] Is the production of chaff the principal line of activity undertaken by agricultural farmers handy to the railway?—Yes, within a radius of five miles.

29. Do they find by experience that that is a profitable form of farming activity?—Yes, and it has been in existence for a number of years. It would be payable spread over a number of years. It is one of the most reliable crops we grow, taking one year with another.

30. *The Chairman.*] Would it pay a farmer to grow oaten chaff at £3 per ton?—It was considered that £3 5s., with 2 tons to the acre, would pay very well indeed; but now we have abnormal conditions in regard to the price of labour and all commodities, and it is doubtful if £3 5s. would be a profitable price.

31. *Mr. Skerrett.*] Do farmers find it profitable to engage in the production of oaten chaff where they are distant, say, more than five miles from the railway-line?—No, it is not so profitable beyond five miles.

32. What do they do then?—Their farm is used for other purposes—grazing probably.

33. And do they thresh?—Yes, any grain that is grown. That is instanced by Marton. If you take a distance of half a mile from the line, perhaps the bulk of the farm is in oats for chaffing, and farther back it is only half as much, and yet farther back there is less grown still, and eventually side-tracked.

34. What is the cost of cartage five miles to Marton?—Anything from 7s. 6d. to 9s. per ton.

35. The vicinity to a railway-line is an important factor?—It means everything. It is the determining factor whether a farmer will grow oaten chaff or not.

36. How do you compare the land around this tramway as a chaff-producing country with the Marton country?—It is equally as good, probably better. For instance, when I first went to Sandon in 1896 more than half the farms were under cultivation in oats. That is when they had a market south.

37. Since then the Wellington market has been largely captured by the Canterbury merchants?—Yes; and Marlborough.

38. Owing to what?—To two reasons: the cheap rates from Wellington to Picton, and the large production of Blenheim chaff.

39. So that the Wellington supply mainly comes from the ports of Picton and Blenheim?—Yes.

40. Blenheim sends chaff up as far as Auckland?—Yes; it goes by steamer direct from Picton to Onehunga.

41. *The Chairman.*] But surely the cost of taking a ton of chaff from five miles out of Blenheim to Auckland would be more than carting it from Sandon to Marton?—One of the reasons for the competition is that the chaff is better, and will often command 30s. per ton more. It does at the present time. That is the Marlborough chaff. It is lighter in colour and heavier in oats. Their chaff would possibly run twenty-two sacks to the ton, and always commands a higher price.

42. What about oats from the Bluff?—We bring oats from the Bluff, but we cannot bring oaten chaff.

43. You have told us that, in your opinion, the Sandon district was as adaptable to oaten-chaff production as the Marton country?—Yes; probably better.

44. In your opinion what is it that prevents the participation by the Sandon farmers in that trade?—The present means of access—the cost of cartage.

45. We have been told by Sir James Wilson that there is little or no firewood and no building-timber in the lower Rangitikei and Manawatu Counties?—Yes, the only firewood left now is the stumping. It is practically exhausted.

46. Would this railway connection be beneficial to the whole district in relation to the supply of firewood, fencing-posts, and timber?—Yes, there is an inexhaustible supply, taking the line from Ohakune.

47. Do you Marton farmers find a ready market or a fair market for your straw and threshed hay?—There is very little threshed hay, but they find a reasonably ready market for baled straw and a lesser demand for straw chaff.

48. Where does that demand lie?—As far north as Auckland.

49. I think there is a considerable demand for straw for packing purposes?—Yes, and for bedding stables.

50. You mentioned to me an illustration of straw for packing?—Yes. A. B. Donald (Limited), said they were prepared to take 1,000 tons if the price was right. We sold some at £2 5s. on trucks at Marton, and I think £2 per ton on trucks at Marton would do the business to-day.

51. What are the farmers able to dispose of the straw for?—They are able to get 10s. a ton net, and they consider it better to do that than to burn it. There is not much margin in it. One man delivered at 32s. 6d., and found it cost him 33s. to put it on the truck. They can reasonably expect 10s. per ton net in a normal year.

52. Would a demand exist for threshed hay in regard to Marton farmers?—Yes, we have had a demand.

53. Then, in your opinion the difficulties of the district lie in the cost of cartage?—Yes, entirely.

54. What would you estimate to be the cost per ton for cartage for half a mile?—Taking the Marton prices, from 1s. 6d. to 2s. per ton.

55. And for one mile to two miles?—2s. 6d.; three miles, 3s. 6d.; four miles, 5s. 6d.; five miles, 7s. 6d. to 9s. 6d.; and ten miles, 15s. In the shorter distances we are able to cart it at a low price by employing an extra man in assisting to load the cart. If a man had to load his own wagon he would not do it. By employing a man to assist in loading we can do it for that price.

56. At what distance is a carter prevented from making more than one trip a day?—I suppose eight miles would be about the distance—from six to eight miles. He might get in two trips at six miles: it would be possible.

57. In your opinion how much per ton in the shape of cost for cartage would preclude a farmer from profitably selling his chaff?—With the present competition 5s. per ton might knock the farmer out. In fact, 5s. to-day would knock us out of the Auckland market, and it has already done so up to a certain point. The chaff-market is very sensitive as regards price.

58. *Mr. Hannay.*] Does that not mean that the Auckland market is very uncertain?—No, it means that at the present time we are not able to supply sufficient at £4 15s.—not a large quantity. We are not prepared to go on at that price. We raised our price to protect ourselves because we have to supply regular customers for the whole year. Then if they start ordering at the higher price it means we would have to raise it again.

59. *The Chairman.*] What do you say about being profitable or not profitable? What goes into profit: do you not have to consider the cost of labour and rent? Does not everything depend upon rent?—Yes.

60. Therefore, if you have land at Sandon £10 per acre cheaper than land at Marton, would not that make up for the difference in cartage?—No, I think not.

61. It would be 10s. per acre?—No, you might want 25s. an acre, because you would want about two tons at 10s. per ton.

62. It would not cost you 10s. per ton to cart from Sandon to Greatford?—Yes, more than that.

63. Does not the whole point about the profits depend upon the rental?—No, not altogether.

64. The result is this: the reason why the Sandon people will not grow oats if they can only get £3 10s. for a ton of chaff is because there is something else more profitable to grow?—It is something else that requires less carting.

65. Something else more profitable?—Yes, but not altogether: there is the trouble. For instance, if any one had to cart chaff this distance irrespective of price there are other disabilities, such as labour. A chaffcutter would cut seven hundred sacks of chaff per day; one team of four horses would take perhaps from seventy to ninety sacks; you would have to have eight full four-horse teams to take the produce away from the chaffcutter in one day, otherwise you would have six hundred sacks out the first day, one thousand two hundred sacks the second day, and four days of cutting one paddockful, and if you had rain like we have to-day——

66. I do not see why you want to go on cutting it all straight away— but cut it as required ?—Yes, but it is not the usual custom. It means that if they cut one stack one day and had to leave the rest the chaffcutter would be on the road half the time.

67. Unless the farmer had a chaffcutter of his own ?—I think he would be sorry if he did.

68. If a farmer in the lower Rangitikei got his land at, say, 30 per cent. less than the land at Marton he could afford to sell his chaff as the man at Marton ?—Yes, on that basis; but if you required every farmer to own his own chaffcutter he would have to get a machine costing £500.

69. But he need not do that: he may have a chaffcutter coming to his place to-day, to A's the next day, then to B's, and then to C's, and so on ?—It is not the custom: usually the whole lot is cut straight out.

70. *Mr. Skerrett.*] We are talking of a business proposition, and I presume the work of a district is founded upon the most cheap and most practical way of conducting the business ?— Yes, that is so.

71. It is the practice of the district for farmers to hire or employ chaffcutters for the purpose of cutting from the stack ?—Yes.

72. Would it be a practical business proposition to cut one-third or one-half on one day and the balance on subsequent days ?—No, it would not be practicable to break into one stack in that way.

73. *The Chairman.*] Do you mean to say that the growers of oaten chaff must cut the whole of their chaff at once and not hold it for a rise in price ?—It is the practice of the district.

74. I ask you, as a practical farmer, would a farmer, being a wise man, and perhaps seeing a rise probable in oaten chaff, sell the whole of his oaten chaff straight away when the price was £3 per ton instead of holding some to get the higher price ?—It would probably pay him to sell the whole stack even if there was a rise later, on account of vermin. I have seen a stack riddled in a year by vermin.

75. I am not taking twelve months: you said a farmer should sell right off ?—Well, they have done it for twelve years and they find it practical business and payable. If you once lose the call with the chaffcutter you may lose your chance of cutting. The farmer in this district is driven into other channels with his produce, which is less profitable for the railway.

76. *Mr. Skerrett.*] At any rate, I understand that you as a practical man say that the conditions of the district are such that it is necessary for the average farmer to cut his chaff with the travelling chaffcutter once and for all ?—Not altogether. For instance, we will take a man with a parcel of 300 tons, he may possibly make three cuts; but a man with, say, 150 tons would cut it outright when he could get the chaffcutter during the dry season, irrespective of a possible rise later.

77. In order to get that chaff to the market from Sandon, say, to Greatford, according to your experience it would cost how much per ton for carting it ?—I think, 15s. per ton.

78. Will you tell me what mileage by rail it would be carried for the same cost according to the Government tariff ?—Approximately 240 miles.

79. So that it costs to cart chaff eight miles what it would cost to carry it by rail 240 miles ?—Yes, with a through freight. That is not including the war charge of 10 per cent.

80. I think the result of your evidence is that it would be impossible even with a five-horse team to make more than one trip per day between Sandon and Greatford ?—Yes, carting chaff.

81. *The Chairman.*] It is taken in a wagon ?—Yes, a five-horse wagon, or four horses in some instances.

82. You say you would have to load up and load back the same day ?—No, there would be no loading back.

83. But if there is a load back ?—They could do that.

84. That would be £3 15s. Could not they take a load of coal back—you are importing coal from Greatford ?—They find they have to get the coal before the chaff is cut. They may have to go for coal when they have no chaff to cut. The coal must be on hand to run the chaffcutter.

85. But you need coal for other purposes ?—Yes, ordinary purposes.

86. Are there no coal-merchants in Bull's or Sandon ?—No, pratically not. They get the coal through Foxton by steamer.

87. If you managed your business properly you ought to be able to get a return freight from Greatford. You are assuming that the wagon goes up full and comes back empty ?—Yes.

88. Is that good management ? That would never do. If the railways were run in that manner—that they took up a load and brought nothing back—they would have to charge more than 15s. per ton ?—If they had a coal-merchant at Sandon possibly it could be arranged.

89. Is not that a question of co-operation ? Why should not the farmers have a co-operative store and arrange that so that they should not have a wagon go up full and come back empty ? You do not call that good business ?—No, it is not good business, but when we get the through access we can show how it can be done. The eight miles would be prohibitive for coal.

90. I am assuming it costs 15s. a ton to take goods from Sandon to Greatford. If you had a return freight what would happen ?—Taking coal freights ?

91. You could take coal or any other merchandise. You ought to arrange your business so that you do not waste your eight miles for nothing ?——

92. *Mr. Skerrett.*] You are not in the Sandon district, you are in the Marton district ?—Yes.

93. And I understand you are dealing with the existing conditions of that district ?—Yes.

94. Such a change as His Honour suggests would require a very extensive organization possessing extensive capital ?—Yes, and that organization does not exist to-day.

95. And that organization would exist to make money ?—Yes.

96. Do you think it would pay such an organization to cart an equivalent quantity of coal into the district as the quantity of produce sent out ?—No.

97. Or even fencing-posts or firewood ?—No.

98. *Mr. Hannay.*] What would be the average rate for produce to the Sanson Railway-station for cartage ?—I should think perhaps 3s. per ton.

99. That is within a radius of three or four miles ?—Three miles, I think.

100. *Mr. Skerrett.*] I want you to compare the cost of taking chaff via the tram to Himatangi for an average destination of, say, 150 miles as the market for the chaff ?—I should say the extra cost would be about 6s. per ton.

101. Would you give me the details of those figures ? They would have to go along the tram ?—Yes, about 3s. per ton the tram charge, or 15s. per truck.

102. That would put them on the truck at Himatangi ?—Yes, assuming the carting would be the same at the starting-point.

103. That is the freight from Himatangi to the destination, 150 miles away ?—Yes, that would be 150 miles plus 48—say 200 miles—about £3 5s. per truck. It would work out at about 6s. per ton in favour of the railway. Then the other charge is to Marton, 150 miles, £2 12s. 6d. per truck, making a difference in favour of the railway of 5s. per ton.

104. We have assumed that the cartage from Marton would be the same as the cartage from Sandon ?—Yes.

105. Now, it may be suggested that the farmers might use their own teams for the cartage of their chaff ?—It is not a payable proposition for farmers to use their own teams, because when the teams are on the road carting they should be on the farm working and preparing for the coming year's crop. Quite half the sowings would be in the autumn, and if the teams are on the road carting they could not be putting in the autumn crop. If they do so they are reducing the area they intended to sow.

106. It has been suggested by Mr. Myers that the motor-lorry might be less expensive for that purpose ? They are not found practicable. One of the reasons is that they are not so convenient. They do not seem to carry the same load. A motor-lorry will carry from fifty-six to seventy sacks, whereas a wagon will carry anything up to 105 or 110; and there is the difficulty that the farmers do not have a metalled road up to the chaff-stack. The stack is built at the most convenient place on the farm, and we have found that the motor is unable to get round the farm and pick up the load. We had an instance of that quite recently. There was a shortage of chaff in Wanganui, and it was wanted urgently at 8 o'clock the following morning. The same carter who was carting our chaff had a motor-lorry. He carted the stuff from our place, and then put it on the lorry on the metalled road, when it went to Wanganui.

107. In farm production the production of chaff is the most profitable for the railway ?—Yes, where the product goes by rail.

108. It is the whole product ?—Yes.

109. And is not the same as butter or grass-seed, which goes in a concentrated form ?—No.

110. Do you think it is within the sphere of practical farming that the Sandon farmer with this connection could expect to find a market for threshed hay and some substantial portion of his straw ?—Yes, it would be practicable.

111. Will you tell me the comparison of the increased cartage in the form of an addition to rental of a man's land ?—If it means 10s. per ton extra in the case of Sandon, I take it it would increase the price of that man's land £1 5s. an acre, taking 2½ tons as the basis of his crop, and that is the average basis.

112. What do you estimate would be the production of oaten chaff from this district in a season if there was railway connection at Marton ?—I have that on the same basis as you might take a flag station at Bonny Glen. From there it was estimated that 200,000 sacks of chaff came away from that station in one year, and I think it is fair to assume the same would go away from the Sandon district.

113. You are well acquainted with the character of the traffic on this tram-line. I want your opinion as to the effect of the connection with the Government line diverting the traffic from Marton to Wellington and from Palmerston to Wellington through the Port of Foxton ?—I think it would affect the present line as regards inward traffic, but I think it would have very little effect on the outward traffic. The main products of the farm would continue to go to Wellington, and not go by steamer. Chaff would never go by steamer, nor fat stock, nor grass-seed; but possibly the reverse would happen with the inward cargo up to a certain point, but in the matter of manures they would go by train.

114. Why does that go by train ?—Mainly on account of the handling, and because it is carried at a cheaper rate.

115. Of course that inward trade is an existing fact so far as Pukenui is concerned to-day ?—Yes.

116. This extension would only effect a slight increase of that inward trade so as to supply the new district of Rangitikei ?—Yes.

117. Do you think the amount of freight that the Government Railways would lose in that way would be considerable or negligible ?—Negligible.

118. You do not think it would effect an increase of the outward cargo passing through Foxton ?—No, wool will go that way, but not always. It is largely a question of catching the sales in Wellington. I think that would remain about the same.

119. I think in a letter you prepared you gave a summary of the advantages ?—Yes.

120. Would you mind reading that ?—It is a summary dated the 25th July, 1913. "(1) Adjoining districts specially adapted for exchange of produce to mutual advantage; (2) fat stock required from lower to upper districts, including Auckland; (3) store stock required from lower to upper districts; (4) by-products, straw and hay, from lower to upper; (5) by-products, firewood and fencing-material, from upper to lower; (6) decrease in cost of road-maintenance by extension of railway; (7) promote traffic at present non-existent between districts; (8) permit Sandon districts to secure fair proportion of great market in the north for grain, chaff, and grass-seed; (9) estimated increase grain and chaff,

173,000 sacks per annum; (10) permit Sandon district to compete by railway against steamers at the seaports mentioned; (11) to compete with fodder arriving at Auckland in large quantities from Victoria; (12) to save Government railways expensive haulage from Marton to Himatangi, which in long-distance freights cannot be remunerative; (13) prevent railage charges on these consignments (Marton to Himatangi), would land them at settlers' doors; (14) generally to give settlers the direct and quick access to the Main Trunk line that their pioneering work in light railways fully entitles them to."

121. "At seaports mentioned" means Wanganui, New Plymouth, and Auckland?—Yes. No. 11 does not apply.

122. *Mr. Hannay.*] If there was a connection to Marton the bulk of the traffic would be inward traffic to Foxton. Do you intend that the Government Railways should hand you over that traffic?—It would not be all the traffic, because we would come in competition also with Wanganui.

123. If there was connection with the Government railway at Marton would you expect that traffic from Foxton would travel over the tram?—That would be a matter for the Government.

124. You are assuming in your statement it would, because you say, "To save Government railways expensive haulage from Marton to Himatangi, which in long-distance freights cannot be remunerative." Mr. Skerrett elicited the fact that there is not much traffic to Foxton but from Foxton?—What we had in mind there was the expense for haulage, particularly in regard to coal and timber—very heavy traffic—where the slight increase in the cost between what would be landed at Greatford and round at Himatangi would be saved to the railway. We say it does not pay them. In the case of timber or coal coming down from the north into the Sandon district, we raised the question whether it was worth while the Government hauling it from Greatford to Himatangi at a very small rate.

125. *Mr. Skerrett.*] I understand that paragraph relates to the carriage of goods over long distances, from the north to Foxton or to Himatangi?—Yes.

126. And then either by Foxton or to Sandon?—Yes.

127. And it is a comparison between the cost of freight from the north or Taupiri to Greatford as against Taupiri to Himatangi?—Yes.

128. What port does Marton usually deal with?—Wanganui.

129. And its trade connections are north of Wanganui?—Yes.

130. Have the Wellington merchants much connection with Marton?—A reasonable amount.

131. Do you anticipate that there would be a marked increase in the inward traffic via Foxton destined, say, north of Marton?—No, it would go by the present means.

132. I think the bulk of the coal is imported from the north?—The Huntly coal we use.

133. Do they import much coal through Foxton to Marton?—No, none.

134. To Sandon?—Yes, a good deal of it in my time.

135. Why was it imported through Foxton in preference to the Auckland line?—There was no through connection at that time. The Main Trunk line to Huntly was opened later.

136. But if this extension were created would it not give preference to Auckland coal?—Yes, decidedly.

137. Is there any other topic you wish to refer to?—There is only the question of whether it is worth while for a man carting chaff from below Bull's.

138. *The Chairman.*] I understood you to say there would be a difference, supposing it is taken from Himatangi 150 miles beyond Marton; and the difference between the cost at the end of taking it from Himatangi and then taking it from Marton would be something like 10s. per ton?—I said from 5s. to 6s. per ton.

139. What happens is this: that the Sandon farmer will now pay more than the Marton farmer by 5s. 6d. per ton, assuming he has to send it round?—And assuming 150 miles is about the average distance.

140. *Mr. Skerrett.*] I understand that your district does not export grain?—No, it is always working on an import basis.

141. That district does not grow sufficient grain for its own consumption?—I do not know that that is a fair way of putting it—that is, if you include the demand from other districts north of Marton; but if the grain grown there were used we would have more than enough.

142. So that you say the production of grain is limited by the local demand?—No, by the outside demand I have mentioned. The position is this: we often sell off our chaff and perhaps buy oats from the South Island for our own use.

143. Have you any grain available for export?—No, only in the way of chaff: occasionally small lines of oats and wheat.

144. I understand you to say that when a man is five miles or over from a railway-station it becomes doubtful whether he would crop at all?—Yes, you begin to side-track him then.

145. I was going to ask you for that instance you mentioned?—The instance of carting from a farm half a mile away from a station is an actual case. We were able to load with one two-horse team four trucks per day. Ten miles away from Greatford a man with two five-horse teams was only able to load three trucks in two days, so the difference is enormous. It costs one man £10 to load three trucks and the other man £1 15s. to load four.

146. *Mr. Myers.*] You say it does not pay a farmer to cart chaff more than five miles to the station?—Yes, practically.

147. Will you repeat what you said it would cost a farmer to cart chaff from five miles into Marton?—I said, from about 7s. 6d. to 9s. per ton.

148. And people do that, do they?—Up to five miles.

149. The result, therefore, is this: that any farmer who is living along the Sandon tramway route can grow chaff, send it down to Himatangi and away up 150 miles past Marton on better terms than the man sending it in from Marton?—Not altogether, because the Sandon farmer has not specialized the way we have.

150. Is not that so according to your own figures—you have said that there is a difference of 5s. 6d. per ton?—Yes.

151. Well, if it pays a man five miles from Marton to cart his chaff into Marton at 7s. 6d. per ton, cannot you see that he is on worse terms than the man along the Sandon route who is sending his chaff down to Himatangi and then away again 150 miles past Marton?—No; because the cost of cutting in Sandon exceeds the cost in Marton, because they have not specialized in it in Sandon. I do not think they have a machine at all in Sandon. All the farmers have not equal appliances to-day.

152. Do you know anything about motor-wagons?—No. I have had experience with a motor-lorry, and I have seen a wagon in the street.

153. Would not that be perfectly suitable for carting chaff?—It would on a metalled road.

154. Have you not good metalled roads in the Sandon district?—But the trouble is that you have to get from the stacks to the metalled road.

155. But you have got pretty good roads right up to the farm?—But you would want a good road right up to the stack. The weather is so catchy about harvest-time that we must put up a stack in the least possible time.

156. But do you not think it would pay farmers to cart their own chaff from their paddocks to the main road in their own carts and then put it on the motor-wagon?—No, decidedly not. The handling alone would cost as much as the carting.

157. But the farmer would be handling it himself in the first instance?—Yes, he only handles it once. It goes direct on to the cart and on to the truck.

158. You think motor-wagons are not feasible?—Yes.

159. I suppose what you want is a railway, and do not want the motor-wagons to be feasible?—We want the best we can get.

160. I want to know what it is you do want. I understand what you want is a railway from Levin to Marton?—Yes, we think it would be better. We have asked for that for a number of years. As far as I am personally concerned, that is what I want.

161. We have heard that there is very little chaff at present sent away from the Sandon district?—Yes, that is correct.

162. The farmers grow grass-seed and send that away?—Yes.

163. And do very well?—Some do.

164. You do not deal with grass-seed, do you? Yes.

165. But you have not a dressing-apparatus?—No.

166. So that any grass-seed you buy had to go to Palmerston or Feilding to be dressed?—Yes.

167. Then chaff would suit you better from your personal point of view?—But we handle a lot of grass-seed.

168. Which suits you better, to handle grass-seed or chaff?—We prefer to handle both. One works in with the other. We say that for the railway chaff is a better trade.

169. The bulk of the grass-seed business is done by the Feilding and Palmerston people, is it not?—Yes, the bulk is. As a matter of fact we represent a Palmerston firm and have a traveller.

170. But you do it under Palmerston agents?—Yes.

171. Now, there is a lot of chaff comes through even to Palmerston from the South Island, is there not?—It might be so.

172. But you can tell us whether any South Island chaff comes to Wanganui and thence to Marton and stations north of Marton?—No, I should say there would be none, practically. A good deal goes to Wanganui and stays there.

173. Can you say definitely?—As far as my knowledge is concerned, practically none.

174. Do you know whether any South Island chaff goes southwards from Auckland after having been landed there?—Not with my own knowledge. I know it goes to Auckland, but cannot say whether it goes southward.

175. *The Chairman.*] The trade has been rather abnormal on account of long droughts?—It was last year, but this year it has been normal.

176. *Mr. Myers.*] When you are dealing with chaff do you buy from the farmer and sell on your own account as a rule?—That is the practice. There is no question of agency with us.

177. I think you and Sir James Wilson have for years been the chief agitators for this railway?—Perhaps Sir James Wilson has been, but I do not think I have.

178. You have appeared each time before the parliamentary Committee supporting the agitation, have you not?—Yes, when I resided at Sandon in my official capacity and since.

179. Is the firm of R. Wilson and Co. Sir James Wilson's firm?—No, there is no connection at all. One of his sons is a director.

180. I think you appeared before the Petitions Committee both in 1904 and 1910?—Yes, in Wellington.

181. Saying on each occasion very much the same as you say to-day?—The conditions are different to-day in some respects to what they were then.

182. Do you mean to tell the Commission that in 1904 you thought it would have been justifiable to construct a railway from Levin to Marton?—In 1896 we had a syndicate which was prepared to do it—to connect up the two places, and take over the Council's tramways.

183. I think you said before that the farmers in Marton are able to reduce the cost of their cartage by arranging for a man to do the loading for them ?—Yes, for short distances. For a distance up to a mile it would pay. Then practically you have a man loading at the carts so that the horses are not kept idle. It would not suit for carting ten miles.

184. But if motor-wagons were practicable a number of trips could be made in a day, even although the distance were ten miles ?—But you would have the handling.

185. But motor-wagons would travel much faster than horse-drawn wagons ?—Yes, but then you would have the teams carting on to the road from the stack all the time, so that the motor-wagons could pick it up from the metalled road. You would not do that under 2s. 6d. per ton to start with.

186. Whom are you going to pay the 2s. 6d. per ton to ?—The man who carted it.

187. I am assuming the farmer would do it ?—Then he would debit himself. Instead of carting, it would pay him better to go on with his autumn sowing.

188. How long does the autumn sowing take him ?—Possibly ten weeks.

189. Sir James Wilson said that you could tell us something about the Canterbury steam-vessel which brought oats from the South Island to Foxton on one occasion. What was that vessel, can you tell us ?—No, but I know a Canterbury boat did come in.

190. Can you say when it was ?—It was when I was residing at Sandon, so it would be ten years ago. We have had no shipments personally during the last eight years. Prior to that we had shipments via Foxton to Halcombe.

191. Is there any exchange in sheep now between what you call the lower and higher districts ?—Yes.

192. Then the sheep that are brought down from the higher districts are detrained where ?—Marton or Greatford.

193. And driven a few miles ?—Yes, up to fifteen. If they were simply going to Sandon it would not be a long drive, and they would not be put on the tram again.

194. And sheep sent from the lower district are driven to Greatford and Marton and put on the trucks ?—Yes.

195. Well, does not that suit pretty well ?—No, because it is capable of still further expansion. I explained the knocking-about the sheep got on the road—whether fat sheep or stores.

196. Do you not know that store sheep are brought down from Napier to Palmerston constantly by road ?—What are they driven for—for what purpose ? I know that has been done for cheap grazing purposes.

197. Are you speaking of recent times ?—Yes. I do not know that any have come except during a drought year. In the drought year a lot came through the Gorge.

198. Do you know of any having been driven from Marton up to the King-country ?—No, not in recent years. I know that cattle have been driven up, and poisoned with tutu on the way. It is the practice, however, to use the rail whenever possible both for fat and store sheep.

199. *Mr. Innes.*] You spoke about Sandon farmers burning their straw because they could not get it to a market ?—Yes, that is one of the reasons.

200. Is not the chief reason this, that there is no market for straw chaff—say, last year ?—Yes, it was saleable.

201. And the year before ?—Not to such a large degree.

202. It was burned not only in the Sandon district, but in other districts where they threshed the oats ?—No, there was very little burnt in the Marton district—practically none. They threshed some, but the bulk was cut into chaff.

203. Was not this burning of straw peculiar to the Sandon district ?—It must have been, because we can place all the oaten straw in the Marton district.

204. I suppose the burning of straw in the Sandon district was pretty well universal amongst those who grew it ?—Yes.

205. Even those upon the present line of tramway ?—Yes.

206. Although they could have put it on the tramway and got it quite as cheap to Himatangi or Marton ?—Oh, no.

207. Last year there were very little crops grown in Sandon—oats ?—About the same as this year, I think.

208. But not up to normal conditions ?—I suppose the present conditions are normal now.

209. There has been no substantial alteration for some years ?—Speaking for four or five years, they have been comparatively normal.

210. Did the introduction of rust into the oats have anything to do with the quantity sown—it meant they could only sow Algerian ?—Yes, and the same applies at Marton.

211. The price of oaten chaff was £9 per ton last year ?—Yes, I suppose the average would be £7 10s.

212. What was the price the year before ?—Normal ; I think, about £4, or perhaps £3 10s. ; but had the people known that the price would be £7 10s. a lot more would have been grown.

213. When you spoke about baled hay, I suppose that is something like pressed hay—it is done up in the same way ?—Yes.

214. If the Sandon farmer was not so fat and wealthy he would make some use of his straw instead of burning it ?—When I heard Mr. Penny giving evidence I dotted down some figures. The pressing would be 17s. 6d. per ton, and the extra tram charge 7s. 6d. ; there is less in a truck of baled straw—possibly only 4 tons to a truck—as compared with oaten chaff ; and say the average price of cartage 3s. 6d. : it would run into about £1 8s. 6d. per ton.

215. It would not produce anything more if cut into chaff ?—No, I do not think there is very much sale for wheat-straw chaff. There would be only a margin of 3s. per ton for the Sandon farmer.

216. *Mr. Hannay.*] You say you cannot cart a ton of chaff more than five miles ?—What we say is that over five miles from railway stops the production of it.

217. Do you suggest that the Government should build a railway or that a railway should be built if farmers are more than five miles distant ?—No, I do not suggest that. If you give them access they will be able to grow it. If you give them that connection you could take five miles on each side of that strip, and you would get a very large area.

218. *Mr. Skerrett.*] I understood that in your evidence in chief you compared the freight from Marton and from Sandon of two farmers who were in the same position relatively to the railway-line and to the tramway-line ?—Yes, that is so.

219. And you showed by your figures that the Sandon farmer had to pay 5s. or 6s. per ton more in freight to deliver chaff at the assumed destination, 150 miles beyond Marton ?—Yes.

220. I understand that chaff is always sold in this district delivered on the truck: that is the practice ?—Yes.

221. So that the farmer takes the responsibility of cutting and bagging ?—Yes.

222. Does he supply the bags ?—He does in some cases. Assuming the price to be £3 10s., that would be the price to the farmer, not including sacks.

223. Mr. Robert Wilson, who is a director of Wilson and Co., is a son of Sir James Wilson, but he is not in the country at present ?—No, he is in training in England. The firm of Wilson and Co. are no relation or connection with the Wilson Brothers mentioned as having land for subdivision.

224. I understand that at one time cargoes of grain did come through Foxton ?—Yes.

225. Do you know why they ceased ?—Because of the difficulty of working the bar, and also because the steamers carrying that particular grain are bigger than they were then—a better class of boat.

226. I understand sheep-farmers during drought seasons prefer to drive their sheep, in order to procure grazing ?—Yes. A few of them prefer it to-day for that reason.

227. *Mr. Myers.*] We have heard it costs 3s. to cart chaff from Sandon to Himatangi. I would like to know what it costs per ton from Himatangi to Greatford, whatever the distance is ?—Practically 25s. per truck for 5 tons—that is, 5s. per ton.

ALFRED KINGSLEY DREW sworn and examined. (No. 26.)

1. *Mr. Skerrett.*] What are you ?—County Clerk and tramway-manager for the Manawatu County Council.

2. You are manager for the county Himatangi-Sanson Tramway ?—Yes.

3. How long have you occupied those positions ?—Nine years.

4. Will you be kind enough to tell the Commission first of all the distances along the tramway ?—From Himatangi to Sanson, approximately fourteen miles; from Sanson to Pukenui, the present terminus, approximately four miles.

5. And what is the estimated distance of the proposed extension from Pukenui to a point at or near Marton ?—On the suggested route it would be about five miles. There has been no definite point settled.

6. What is the distance by road from Bull's to Greatford ?—Four miles.

7. Your nearest point from the terminus of the tram-line at Pukenui to Marton is just over eight miles ?—Yes.

8. Describe briefly the construction of the tramway ?—Commencing at Himatangi we have approximately a mile of 40 lb. steel rails, put down about four years ago, when the new rails were imported from England. They were put on new totara sleepers when the line was relaid.

9. What is the spacing of the sleepers on this section ?—The ordinary Government standard. I may state that this line is absolutely under Government inspection, and we have got to keep it up to a certain standard. It is inspected by the Railway Department's Inspector of Permanent-way every three months. For the next five miles and a quarter we have 28 lb. iron rails, and the sleepers are totara. They also are kept up to standard by being renewed with the best rails taken out when we relay a section with 40 lb. rails. The balance of the line is composed of 40 lb. steel rails, with a few 40 lb. iron rails (I think about a mile and a half of 40 lb. iron rails), the balance being 40 lb. steel rails.

10. How long have the steel rails been laid ?—The last rails that we actually laid were imported from England, came to hand in March or April, 1915, and put down. At the present time the Council have 50 tons of 40 lb. steel rails which have been purchased from the May Morn Timber Estates—good second-hand rails.

11. And you say the whole spacing of the sleepers generally conforms to the Government standard ?—Yes.

12. Could you give an indication of the cost of this tramway ?—The total cost approximately stands in our books at £25,000.

13. And what is the total amount of the loans raised in connection with the construction of the tramway ?—The original loan was one of £2,229; then there was a sum of £3,000 which was borrowed from the Government and paid back in instalments; then there was another loan of £7,139, and another of £930. In addition to those loans there have been sums approximately totalling £7,000, which have been advanced out of the rates and revenue of the county.

14. What do you make the total amount of loans ?—£13,298.

15. Does that cost include the rolling-stock ?—No. The cost of the rolling-stock has not been met out of those loans at all. The £25,000 includes all rolling-stock.

16. Does that include all purchases made out of profits ?—It includes the cost of material.

17. You produce a statement showing the receipts and expenditure of this tramway from 1895 to 1916 ?—Yes. [Statement produced and put in—**Exhibit 2.**]

18. The last column, in brackets, shows the expenditure out of revenue which has been charged to the Capital Account ?—Yes. In the case of an ordinary institution it would be charged to Capital Account.

19. But the disbursements do not include interest on loans ?—No.

20. They include all working-expenses, including any expenses on improvements required during the period ?—Yes.

21. Do you produce a statement showing the chief item of traffic over this line from the year 1899 to the year 1915 ?—Yes. [Statement produced and put in—**Exhibit 8.**] The year 1916 is not yet completed. Our statements are dated from 1st January to 31st December in each year.

22. *The Chairman.*] In the first four years you were £2,321 to the bad ?—Yes.

23. And now you are this year £222 to the good ?—Yes.

24. *Mr. Skerrett.*] I understand that it is proposed, at a cost of £7,000, to extend the tramway into the river-bed ?—Yes.

25. How is it so much as that ?—Included in that are several improvements and additions which are required on portions of the present line. The matter of this extension is only in its infancy. Besides making the extension into the river for metal, there are several additions that are required on the line in other parts, such as the construction of sheds and sidings, which we are entitled to do out of loan. The Council cannot borrow money for the purpose of anything but new works. We cannot borrow money for maintenance or for relaying.

26. *The Chairman.*] Have you estimated the cost of the connection between Pukenui and Greatford or the railways farther on ?—No, I have not.

27. *Mr. Skerrett.*] Has the Council no information as to the suggested course from Pukenui towards Marton ? Would you require to build a traffic-bridge ?—The proposal is to use the present traffic-bridge over the river at Bull's. This matter was referred to the Public Works Department, and they estimated that it would cost approximately £10,000 to make that bridge suitable for the tramway as well as for the present road traffic.

28. What would you estimate per mile to be the cost of the extension ?—Approximately a total cost of about £2,500 per mile.

THURSDAY, 25TH MAY, 1916.

ALFRED KINGSLEY DREW further examined. (No. 26A.)

1. *Mr. Skerrett.*] Do you produce for the information of the Commission a copy of your scale of freights on the tramway ?—Yes. [Statement produced and put in—**Exhibit 6.**]

2. *The Chairman.*] Supposing goods are landed at Foxton for Sanson, they go into a truck belonging to the Railway Department, I suppose ?—They are unloaded from ship at Foxton and loaded into trucks by the Railway Department.

3. Then, you take the trucks by your engine ?—The trucks are made up into a train just the same as in the case of the Government trains. Our engine takes them out of Foxton and takes them to their destination.

4. The trucks, I suppose, belong to the Railway Department ?—Yes.

5. Your engine goes to Foxton, takes them up, and takes them to Sanson ?—Yes.

6. What do you pay the Government for this haulage to Himatangi ?—We do not pay anything for haulage. We pay a toll of so-much per ton for the running-right over the railway, and we pay a hire for the trucks independently.

7. What does it cost per ton ?—The ordinary goods cost 1s. 6d. per ton—that is, a toll; and other goods 5s. per truck.

8. You pay, I suppose, wharfage, and loading in addition ?—Wharfage in addition. We do not pay any charge for loading. The wharfage includes loading-charges.

9. What do you pay for that ?—The wharfage is on a Government scale with 10 per cent. added. I do not know what it is.

10. *Mr. Hannay.*] What do you pay for the wagons ?—We pay 1s. per day or portion of a day for each wagon, and the same charge for each tarpaulin.

11. You do not pay for more than a day—you send the engine down ?—I will give you an instance of that: A truck is picked up at Foxton on the Monday; it goes on the tram-line on the Monday. On the Tuesday it is unloaded. It may be loaded up again with goods to go via Himatangi to Palmerston. On Wednesday morning we take it to Himatangi. We would pay 3s. for that truck and 3s. for the tarpaulin.

12. *Mr. Skerrett.*] Do I understand you to say that the wharfage charge does not include the use of the railway-truck as wharfage ?—Yes.

13. Referring to your tariff, do you add the 10 per cent. war addition ?—No; we have not added the 10 per cent. additional charge that has been put on by the Railway Department.

14. I want you to explain exactly what the figures in brackets in your statement of receipts and expenditure on the tram represent. Do those figures include labour or expenditure in relaying the tram-line ?—No, they do not.

15. State exactly what they include ?—Those figures are the amounts paid for new material alone —nothing else.

16. *Mr. Williams.*] In regard to that new material, is it material for renewing the track ?—Yes, for renewing the track—putting in 40 lb. rails instead of 28 lb. rails.

17. If you were replacing 28 lb. rails would that figure be included ?—I presume so. The charge is not for labour. In a great number of instances the formation of the line has been made up, and in places it has been regraded. That cost has been put against the ordinary maintenance charge, and never charged up as new work at all. It has been considered a fair maintenance charge.

18. Those only include improvements to the line ?—Improvements and renewals to the line.

19. *Mr. Hannay.*] If you sell any old 28 lb. rails, what becomes of the proceeds ?—We have deducted from Capital Account the amount we have received.

20. *Mr. Skerrett.*] Can you state the prospects of increased freights by the extension of the tram to Marton ?—Yes; there would be an increase of freight. As has been stated by a previous witness, the districts are suited for an interchange of traffic. For instance, at the present time there is no firewood coming into the district at all. There are huge quantities of it on the Main Trunk line, and if we had a connection near Marton, allowing it to go on to our line, I think it is fair to assume that a new traffic in firewood would spring up. Firewood is a commodity that costs very little, but the freight on the sixty-one miles at the present time absolutely prohibits it being sent round the sixty-one miles.

21. This is a statement showing that the freight on firewood by the round route is £2 0s. 2d. per truck [statement produced and put in] ?—Yes.

22. And the Government and tram freight from Rata, which is a firewood district, would be £1 ?—Yes; that is if the connection at Marton were made. With the through line it would be 15s. 5d. from Rata to Sanson.

23. Does this evidence also apply to fencing-posts ?—Yes.

24. By the round route the freight on a truck of posts from Ohakune is £3 1s. 1d. ?—That is right.

25. And via Greatford or Marton to Sanson £2 5s. 7d. ?—Yes.

26. And by the through line from Ohakune to Sanson £1 18s. 9d. ?—Yes.

27. Will you produce a rough plan showing the stations and distances on the tramway ?—[Plan produced and put in.] The distances are marked. It is only a rough plan.

28. You have dealt with fencing-posts and firewood. How about timber ?—Timber would come into the district much more readily, and there would be a considerable saving in freight.

29. Is there anything else ?—There is the sheep traffic. Sheep would come in via the tram, if the connection were made from Greatford or some point near Marton, to their destination along the tram-line. At the present time they are detrained at Greatford or Marton and driven. We have had one or two instances in the last year of farmers railing their stock right round the whole sixty-one miles. Sheep and lambs come into Sanson district for fattening. The reason they have been taken round is to save the sheep from being knocked about, and the sheep do not lose anything by going round by railway.

30. You are referring now to store sheep ?—Yes, store sheep going down to be fattened.

31. Have you got a statement showing what part of the product of the dairy factories the line is carrying ?—Yes. The dairy companies get practically all their coal in by tram, also their salt and other commodities that are used in the manufacture of butter. During the last three years the Glen Oroua Dairy Factory got coal as follows: In 1913, 307 tons; in 1914, 204 tons; in 1915, 325 tons: making a total of 386 tons.

32. *The Chairman.*] They would have to cart it from your siding—how many miles ?—The greatest distance is three miles.

33. *Mr. Myers.*] Where does this coal come from ?—The bulk of it comes from the Auckland District—it comes right round. Some of it comes through Foxton and some from Wellington.

34. *Mr. Skerrett.*] Is it carried by train ?—Yes, by train; some from Wellington, and some from the Auckland District by train from the Waikato to Himatangi, and then up by our tram. The Rongotea Dairy Company in 1913 got 244 tons, in 1914 120 tons, and in 1915 160 tons. The reason for the smaller amount in the year 1914–15 as compared with previous years was that this particular company put in a suction-gas plant and uses it with the steam. The total quantity of coal they got over the tram was 524 tons.

35. *Mr. Myers.*] Do you make any concession on long-distance coal ?—No; we make a fresh charge.

36. *The Chairman.*] How far would the dairy companies be from Palmerston ? Would that be the nearest place to them, or Feilding ?—The Rongotea Dairy Company, at Campbell, would be about thirteen miles away [explained on map]. We do not deal with the butter traffic on the tram. It goes to the Government line. But in the last year these companies have commenced to make cheese instead of butter, and although the season was only started very late we carried last year 130 tons of cheese.

37. Where did that cheese go to ?—It went to Himatangi, and from Himatangi to Wellington. It has been stated that no dairy-produce goes over the tram-line at all, and I am proving that produce from the dairy companies does go over the tram-line. Cheese goes over it, and it will go in larger quantities as the dairy companies get settled. It goes to Wellington by rail via Himatangi. The Rongotea Dairy Company have not gone in for cheese yet. They put out 220 tons in 1913–14, and 216 tons in 1914–15 of butter. [Statement put in—**Exhibit 11.**] In addition to those items which are shown directly, there are large quantities of manure come in—the quantity is increasing every year—used by the dairy-farmer.

38. Do you get the manure from Auckland ?—No, from Wellington via rail to Himatangi.

39. But where does the manure come from—from the South Sea Islands ?—A lot of it is Meat Export Company manure, and slag, and superphosphates of all kinds. Large quantities come in, but I could not tell you the tonnage, because it is practically impossible to get at it. The statement shows the quantity of manure hauled by the tram.

40. *Mr. Skerrett.*] In 1915 the quantity of manure hauled was 557 tons ?—Yes, and that would have been larger last year only for the shortage.

41. Is there any other remark you desire to make before we pass away from this subject ?—No. I think that is the chief traffic as far as dairying is concerned.

42. We are still discussing the question as to the probable increase of traffic by junctioning with the Main Trunk line. You have spoken of firewood, fencing-timber, stock, and dairy-produce ?—In addition there would be grain and chaff going north.

43. I should like you to give me an approximate estimate of the new district that will be added to the service of the tram—that is, the lower part of the Rangitikei County ?—I should estimate it at between 40,000 and 50,000 acres.

44. Consisting of, I think, parts of the Rangiotu and Porewa Ridings of the Rangitikei County ?—Yes.

45. I presume you have not estimated, nor is it possible to make an estimate of, the extent of the increased traffic by the junctioning of the tram at Marton ?—No.

46. Is the profit earned by the tramway likely to be increased if it be extended and junctioned with the Government line at Marton ?—Yes.

47. Have you formed a definite opinion upon that subject ?—Yes. I should certainly say it would pay.

48. Will you tell the Commission your opinion as to the probability of diversion of traffic from Marton to Wellington or north of Marton to Wellington via Foxton if the junction is made with the Government line ?—Well, I do not see how the tramway, with respect to through traffic, could enter into competition with the railways to the Port of Foxton. In the first place, goods for Wanganui would not go to the Port of Foxton, because they have their own port. Goods going down the Main Trunk line would not go on to the tramway because of the new charge starting as soon as they get on to the tramway. They would go naturally to the Port of Wanganui.

49. *The Chairman.*] It would mean splitting the rates in two instead of having one rate ?—Yes. It would pay them to go to Wanganui.

50. *Mr. Skerrett.*] Is there not one item of produce carried through Foxton which would probably be increased ?—Yes, wool. It would tap the southern portion of the Rangitikei County, and we might get more wool down by the tram. That is the only commodity I know of that would increase.

51. Mr. Dalrymple already sends his wool to Foxton ?—Yes.

52. Do you know of any other settlers who do ?—All the settlers in the bottom end of the district, right down to the bottom end of the Rangitikei, send to Pukenui and down by tram at the present time.

53. *Mr. Hannay.*] You get that now ?—We get all from the bottom end at the present time.

54. *Mr. Skerrett.*] Do you think that the increase in wool would be considerable ?—I think it would be considerable. It would be negligible from the point of view of the Railway Department.

55. What was the date of the first application for connection with Greatford ?—1902. That was before my time.

56. I think there was a petition to Parliament in 1904 for the permanent deviation from Marton to Levin ?—Yes.

57. And then there was a petition in 1910 : what did that relate to ?—That related to the extension of the tramway and connection at Greatford or Marton.

58. What does the country pay for cartage ?—For an ordinary three-horse team we pay from 30s. to 35s. per day. That would carry 2 tons, possibly.

59. Have you made inquiry from the leading carter as to his charges for cartage ?—Yes.

60. Who is the leading carter ?—The leading carter in the Bull's district is Mr. J. E. Walker. I have made inquiries from him, and he states that for the cartage of goods from Sandon to Greatford—for grain and chaff—he would want 15s. per ton. He would not do it under.

61. In regard to motor-lorries, what have you to say ?—I have also made inquiries about them. I put the same case to the local man, who has a 3-ton motor-wagon, and he says he would want from 12s. to 14s. a ton to cart it, providing he could keep on solid ground the whole time.

62. Considerable discussion has already taken place as to the competition of motor-lorries with the railway. In the carriage of what class of article alone is the motor-lorry able to compete with the railway ?—Class A—benzine and kerosene, &c. They do enter into competition in those lines from Foxton to Palmerston.

63. All high-freighted goods ?—Yes.

64. The freight on benzine to Sandon, via Foxton, is 16s. 8d. ?—Yes.

65. The freight on benzine to Feilding, ex Foxton, via Palmerston, is 39s. 7d. ?—Yes, taking the distance as thirty-six miles.

66. The freight on benzine to Palmerston, ex Foxton, is 26s. 5d. ?—Yes.

67. What is the price of benzine at the present moment ?—Unless it has gone up again it is 19s. 8d. per case of 8 gallons.

68. What was the pre-war price ?—13s. 4d. a case—about 1s. 8d. a gallon.

69. That is 1s. 8d. a gallon—where ?—At Wellington.

70. What would the cost per gallon be approximately in carriage from Wellington to Sanson ?—About 2½d. per gallon.

71. Is there any other statement you would like to make ?—No, I think that is all.

72. *Mr. Myers.*] You say that the pre-war price of benzine was 13s. 4d. a case ?—Well, that is what I have purchased it at.

73. Are you speaking of the Wellington price ?—Yes, the price paid at Wellington.

74. Was that before or after the commencement of the war? I suggest to you that the pre-war price was 9s. 6d. or 10s. ?—No, not at the commencement of the war.

75. I am suggesting to you that on that point your evidence is quite inaccurate. You say you are correct in stating that 13s. 4d. was the pre-war price ?—Yes, that is what I paid for it.

76. Where did you purchase it ?—I purchased it at a price in Wellington from Sanson—from the Vacuum Oil Company.

77. Did you buy it in small lots or in substantial lots ?—Ten cases.

78. I want you to look at this statement of yours showing receipts and expenditure over the tramway from year to year. Are the figures which you have set down year by year for receipts the actual freight earnings of the tramway ?—No.

79. Do they not include wharfages which you pay the Railway, tolls and freights which you pay, and steamer charges ?—Yes.

80. Take, for instance, the year 1915. The figure you have there for receipts is £4,192: does not that include, first of all, wharfage paid by you amounting to £237 ?—Yes. You have the balance-sheet in front of you.

81. Does it not also include tolls and freights £369, and steamer charges £1,157 ?—I do not repudiate the balance-sheet.

82. So that that £4,192 has to be reduced by £1,763 to get at your actual freight earnings ?—Tramway earnings, yes.

83. And for the same year your working-expenses were £2,257 ?—Yes.

84. I suppose we may take that as a typical year, may we not ?—No, we cannot take it as a typical year.

85. Well, let us take 1914. In 1914 you have the tramway earnings set down at £4,308: does not that include wharfage payments of £234, tolls and freights £411, and steamer charges £1,107 ?—Yes.

86. Making a total of £1,752, which is pretty much the same ?—Yes.

87. So that in that year your tramway freight earnings would be £4,308, less £1,752 ?—Yes.

88. And your working-expenses for the same year £2,534 ?—Yes.

89. Now, in those working-expenses there is included nothing for renewals or anything of that sort ?—Nothing for new material.

90. Is the new material in all your balance-sheets itemized separately ?—Yes, it is for the last few years.

91. In 1913 you set your tramway receipts down at £4,822, your wharfage again at £235, tolls and freights £480, and steamer charges £1,181; so that in that year your tramway earnings would be £4,822, less £1,896 ?—Yes.

92. And your working-expenses £2,414 ?—Yes.

93. Now let us take the figures for the last nine years, 1908 to 1916 inclusive. Taking the receipts, they total £36,613 ?—Yes.

94. And your expenses or payments for the same period £39,230 ?—Yes.

95. Included in that expenditure there is £5,417 covering the whole period ?—Yes.

96. So that if you deduct £5,417 from £39,213 you have—how much ?—£33,811.

97. That gives you for the nine years a profit on your figures of a little over £2,000 ?—Yes, £2,802.

98. Have you in your county ledger a special Capital Expenditure Account ?—Yes.

99. Have you it here ?—No.

100. You say your capital expenditure is about £25,000 ?—Yes.

101. Do I understand that that includes not only the original expenditure, but all the subsequent expenditure for materials and additions ?—Yes.

102. So that when you have "scrapped" 28 lb. rails and substituted 40 lb. rails you have in your Capital Account the original cost of the 28 lb. rails, and also the cost of the 40 lb. rails ?—We have been deducting the moneys received as we sold the old rails. It has been deducted from the Capital Account.

103. *The Chairman.*] Do I understand you to say that you debited the Capital Account with the receipts ?—We have simply credited the Capital Account expenditure with what we have sold.

104. *Mr. Myers.*] The proceeds of the sale, at a "scrap-heap" value ?—I do not know that you could call it a scrap-heap value. The scrapped material has been sold, the greater part of it for more than it originally cost.

105. Will you send us a copy of your ledger Capital Account ?—Yes.

106. If you have this tramway extended your working-expenses will be increased ?—Yes, naturally.

107. Have you made an estimate of the probable increase of expenditure ?—No, I have not.

108. Then, you will have interest upon a further sum of something like £30,000, although £7,000 of that we are not concerned with, will you not ?—Roughly.

109. And you solemnly say that you think the extension of the tramway would give you sufficient traffic to repay your additional annual expenditure ?—I think the traffic on the tram would increase in the whole district. If the connection were made there would be a tendency to increase the output in the district, and therefore there would be an increased amount of traffic over the tramway. Settlement follows the railway, and it would naturally follow that if they got better facilities for dealing with traffic settlement would improve.

110. I want to draw your attention to a statement made by Mr. Purnell in 1904 before the parliamentary Committee. He said, "It would cost £400 a year more to keep up the roads if traffic was diverted from the tramway on to the roads" ?—Yes.

111. Would you say that that is a reasonable figure ?—At that time it may have been. At the present time I would not say so at all, because since 1904 the whole nature of the traffic on the road has altered altogether.

112. *The Chairman.*] You have more roads ?—No, not that chiefly. It is on account of the motor-cars. To give you some idea: in 1904 we were spending somewhere in the vicinity of about £3,000 for ordinary road-repairs; at the present time the ordinary road-repairs of the Manawatu County Council are nearer £10,000.

113. *Mr. Myers.*] The more roads the more traffic ? — There are not very many more roads. There are certainly more roads, but it is the increase of traffic and the different class of traffic.

114. Can you tell the Commission what quantity of metal or gravel you carry on your tramway per annum for your road purposes ?—Somewhere in the vicinity of from 5,000 to 7,000 yards per annum.

115. That includes supplies to settlers, does it not ?—Yes.

116. You cannot say what proportion of that is supplied to settlers ?—Not a great quantity—500 to 800 yards.

117. Can you, then, tell the Commission what you think the tramway saves your county in regard to metal and so forth ?—No, I could not say, for the simple reason that in the bottom end of the district it would be absolutely prohibitive—at present, anyway—to cart metal at all. You would have to pay approximately, in some portions, over £1 a yard.

118. Then, I may take it that this tramway as it exists now is essential for the purposes of the County Council, and that the only alternative is that if the Government acquire the tramway they must make provision to meet your requirements with respect to gravel ?—Yes.

119. What do you mean by that: do you mean that the Government should supply it at their schedule rates ?—At the Government schedule rates for local bodies. It is half the ordinary tariff rate, a minimum of 1s. 8d. per ton. It depends on the distance carried.

120. Then, I think it has been already stated that you would expect the Government to supply it at your own time ?—At the time suitable for metalling.

121. And I suppose you would require it to be delivered all along the line ?—I do not think we could expect to have it delivered at any place but a siding.

122. Very well, at a siding. Do you mean to say the existing sidings or stopping-places ?—I presume so; yes.

123. You mean to say that if the Government were running a railway along there, what you are asking would be impossible, would it not, or impracticable ?—No.

124. Could you reasonably expect the Government, on a line of railway, to run its trucks and deliver metal to you all along the line for a mile or two ?—They do it for their own purposes at the present time; why should they not do it for us ?

125. They do it when it is convenient for themselves ?—They do it when it is required.

126. You would require the metal at different places at different times, would you not—you could not have it deposited on the road ?—No. We put it out at the present time at a special period during the year.

127. But at one place at a time ?—No. We run a special works-train and put it out in heaps where it is required. I may state that not only do we put it out on our own line, but we also run a special train on the Government line, with their permission, and deliver the metal for road purposes—that is, on the Foxton line.

128. Now I want you to come back to the receipts and payments for 1916. I see that in that year your expenditure amounts, not deducting the £500 for material, to £4,900 ?—Yes.

129. What is the reason for that ?—There was more traffic on the line; increase of wages; we relaid about half a mile of the line with new rails, and there was the cost of labour for putting those rails in. The charge for labour was included in working-expenses, and was not charged in the £500, which is for material.

130. I see your income has increased to £5,622 ?—Yes.

131. Can you tell us how much of that is net earnings ?—I could not tell you offhand.

132. I suppose it would be slightly greater than in the previous year ?—Yes. I might state here that the increased traffic of the last year was considerable. In 1915 the traffic fell off; also in 1914, owing to the strike. The traffic was absolutely held up for some time during the strike, which cut down our revenue, as we are dependent on the Port of Foxton, and nothing was coming into the Port of Foxton. In 1915 there was a falling-off of traffic, on account of the war. People did not get the ordinary quantity of goods over our line. There was a great fall in the volume of traffic some months after the war started. And in 1916 the traffic sprang up again, as settlers were prosperous, and the traffic increased very much.

133. You have had a lot of inwards cargo through Foxton pretty regularly ?—Yes, fairly regularly.

134. Evidently more so than the previous year ?—I do not know whether it has been more regular than in the previous year. That could easily be proved by the steamer-charges account when they come in.

135. You get a certain quantity of posts and firewood down from the north ?—We get no firewood at all. We do not use firewood. There is a small quantity in the district, but it is only stump firewood. Coal is used. There is practically no firewood coming into the district from outside.

136. You say the actual general imports have been increasing ?—Yes.

137. In posts and firewood they amount to—1899, 103 trucks; 1904, 100 trucks; 1909, 84 trucks; 1914, 79 trucks; 1915, 68 trucks ?—Yes.

138. That has been gradually decreasing, has it not ?—Yes.

139. Do you think, if you have this tramway extension, that your importation of posts and firewood will increase ?—Yes.

140. From whence have you been getting posts in the past ?—They have been coming from the Dannevirke district and from up the Main Trunk line. But the Dannevirke district is practically cut out now.

141. Having none in your own district, which makes it necessary for you to import your posts and firewood, the traffic would be negligible ?—If you have to pay freight of 100 per cent. on a commodity the people will use something else to take its place.

142. What are they using ?—They are using coal.

143. But they must have fencing-posts: what are they using for them ?—There have been a few experiments with concrete. A great number of people have been carting their posts from Greatford.

144. And where have they come from ?—From Ohakune, chiefly.

145. They have found no difficulty in carting them at the present time, apparently. Can you give any idea of the quantities that have been carted ?—No, I could not tell you.

146. Now, in regard to timber: in 1904, according to your estimate, the quantity of timber was 141,000 ft. ?—Yes.

147. Yet in the parliamentary proceedings of 1904 you made a different statement ?—I may state that that return which has been handed in was made up to the 31st December, and the present is made up to the 31st March.

148. Do you know that in 1910, for the year ended March, your timber imports were 838,000 ft. ?—Yes.

149. How would that timber come into the district ?—It came down the Main Trunk line, round Greatford to Himatangi, and up from Himatangi.

150. I notice that your timber was 838,000 ft. in 1910, and it has gone down in 1914 and 1915 to 360,000 ft. and 252,000 ft. ?—Yes.

151. What justification, then, have you for saying that the timber-importations are likely to increase ?—First I will tell you the reason for that big rise and drop. A box-factory was started at Rongotea, and large quantities of timber were taken in for that purpose. Owing to the distance the man who had the box-factory found the freight prohibitive, and he moved the factory from Rongotea to Feilding, and he has his business there at the present time.

152. Does he get the timber down to Feilding ?—I do not know what he does there, but I presume he gets his timber from where he got it before. He has mills up the Main Trunk line. The boxes are made at the factory in Feilding, and carted from Feilding to the dairy factories in the form of boxes.

153. I suppose the carts which take the boxes from Feilding take butter back from the factories to Feilding ?—No, they come back empty. I have seen them.

154. Have you in your tramway rates a minimum for timber ?—Yes, 8d.—the same as they charge on the railway.

155. Are the charges on your line the minimum charges allowed by the Order in Council ?—Yes. These charges were all fixed up before I was with the Council and have been made during my time.

156. I suppose you know there is an Order in Council ?—Yes, and I think you will find that that freight-list which has been handed in is a copy of the Order in Council.

157. Then, your charges are not the same as the railway charges—the scale is not the same ?—In lots of things it is. I think you will find it is exactly the same. There may be a difference in some commodities.

158. Does that scale apply to passenger-fares as well as to freight ?—No.

159. Can you give us an estimate of the passenger traffic—it is something like £175 or £200 a year ?—No, it is not that now. The passenger traffic since the advent of motor-cars has dropped to practically nothing. It would average, I suppose, about £5 per month. We run a train regularly three days a week for passengers.

160. Mr. McVilly wants to know whether you accept and take the Government classification of goods ?—Yes, practically. I can produce the classification, as I have it here.

161. Can you, for instance, tell me what class grass-seed comes in ?—It has been charged as Class E—rate and a half.

162. How is the loading and unloading done from your trucks along the line, and by whom ?—By the consignor when putting export goods on the truck.

163. And by the consignee on inward goods ?—Not in every case. It depends on the class of goods. Ordinary merchandise at certain places is unloaded by our own man. At Rongotea we have a man stationed who does the unloading, while at Sanson and north of Sanson it is done by our own man. Other places are treated as flag stations and it is done by the consignee.

164. How many men do you employ exclusively as gangers ?—One ganger and three surfacemen—four men continually employed.

165. How many men have you employed altogether, apart from the ganger and surfacemen, on the tramway ?—Four permanent men, including the engine-driver.

166. What class of locomotive do you employ ?—We have a 20-ton six-wheeled coupled tank engine, made by Barclay and Sons, of Kilmarnock, imported in 1910, and we have another engine of 14 tons—a six-wheeled coupled tank engine.

167. Can you give us the haulage-capacity of the engines running from Himatangi to Sanson ?—The larger engine was guaranteed to take 100 tons up a grade of 1 in 70.

168. And is that your ruling grade ?—No; 1 in 75 going to Foxton.

169. What is your ruling grade the other way ?—1 in 90 or 1 in 100.

170. What do you say is the usual haulage-capacity for a 1-in-75 grade ?—The engine has taken up 120 tons on that grade.

171. That is equivalent to how many trucks ?—An average of twelve trucks.

172. You still have six miles or thereabouts of 28 lb. rails ?—About five miles.

173. Have you any 52 lb. rails ?—Half a mile of 52 lb. rails, and the rest are 40 lb. rails.

174. You say that some 40 lb. rails were new ?—Yes.

175. And the others were second-hand ?—Yes.

176. Can you say what length of 40 lb. rails was second-hand ?—No, they were put in before my time.

177. Have you any private crossings in existence over your tramway ?—Yes; but I could not tell you how many there are.

178. Can you tell us what is the minimum speed per hour which you run on the line ?—It just depends on what rails were being run over, and according to what is the load.

179. What is the maximum speed per hour on any part of the line ?—Eighteen to twenty miles per hour.

180. Do they go at that speed ?—Yes, on parts of the line. That speed can be maintained on the greater part of the 40 lb. rails.

181. And what is the maximum speed on the 28 lb. rails ?—About fourteen miles an hour.

182. Have you any maximum speed fixed by your company ?—Not to my knowledge.

183. How many bridges have you on your line ?—Five, built of totara and ironbark.

184. Have any of them been renewed ?—One has been partially renewed, and one is being renewed at the present time, and they are all subject to inspection by the Government Railways Bridge Inspector, and they are repaired and kept up to his satisfaction.

Statement of Mr. RICHARDSON. (No. 27.)

Mr. Skerrett: At this stage I desire to read a statement by Mr. Richardson, Clerk of the Rangitikei County Council. He is unable to attend to give evidence. The statement reads,—

"With reference to your request for some information regarding the portion of the Rangitikei County more immediately affected by the linking-up of the Main Trunk Railway-line with the Sandon Tramway from a point at or near Marton, or the construction of a through railway-line from Marton to Levin, and which would cross the Rangitikei River near Bull's, I beg to state that the two ridings of the county mostly concerned would be Rangitoto and Porewa, especially the former. The capital valuations of the two ridings are as follows: Rangitoto, £767,409; Porewa, £792,348. The areas are, roughly—Rangitoto, 100 square miles; Porewa, 55 square miles. The numbers of ratepayers are—Rangitoto, 193; Porewa, 484. The Rangitoto Riding extends from a point about one mile south of Marton to the ocean, and with an average width of about seven miles. The northern portion of this riding, and also an area around the Town District of Bull's (which is excluded from the riding), is farmed in fairly small areas—say, 200 to 300 acres—but there are a few holdings of considerable size, one of 1,400 acres. The class of farming carried on within this area is chiefly cropping and sheep farming, with a little dairying. The land is being much improved by draining, &c., and I consider will be capable of further subdivision, though perhaps not to a great extent, for some years to come. The southern portion of the Rangitoto Riding consists of land of a different character. Towards the coast it is necessarily of a sandy nature; but with the exception of a strip along the coast the soil is good and in some parts of the finest quality, especially the flats along the Rangitikei River. There are a number of large holdings in this part of the riding, containing about 25,000 acres, which are capable of subdivision, and a considerable area of the land served by the Bull's–Scott's Road is suitable for dairying. The class of farming carried on in this portion of the riding is chiefly sheep and cattle, with a little cropping; dairy-farming, however, has in recent years been carried on to some extent in consequence of the subdivision of some of the former large holdings. The Porewa Riding extends from the Rangitoto Riding on the south to about six miles north of the Borough of Marton, and from the Rangitikei River on the east to beyond the watershed of the Rangitikei and Turakina Rivers. The remarks in regard to the northern portion of the Rangitoto Riding generally apply to the southern portion of the Porewa Riding, except that immediately around the Borough of Marton there is a considerable suburban settlement, and the Township of Marton Junction also comes within the riding. With the exception of one property of nearly 2,000 acres there are no large holdings in this portion of the riding. In the northern portion of this riding the land is partly undulating and hilly, and the holdings are somewhat larger and chiefly used for sheep-farming. The whole of the land in the riding, while varying in quality in parts, can all be considered as first class, and is capable of yet further development."

HOWARD NICHOLSON sworn and examined. (No. 28.)

1. *Mr. Luckie.*] You are a farmer residing at Otaroa, about eight miles from Levin and five miles from Foxton ?—Yes.

2. How many acres do you farm ?—About 524.

3. What class of farming do you carry on ?—Mixed farming—sheep and dairying.

4. Have you done any cropping ?—Yes; I did some cropping three years ago, and I have been cropping ever since.

5. You were born in the district ?—Yes.

6. And are you well acquainted with it ?—Yes; I am very well acquainted with the whole district lying between the Manawatu River and Levin.

7. About how many acres which are held in large areas would be served by this proposed railway-line if it went through that district ?—I should say, close on 20,000 acres.

8. What is it mostly used for now ?—Sheep-farming.

9. If the railway went through on the proposed route from Levin to Foxton, how would it affect this land ?—It would affect it in this way: there would be more settlers there.

10. Is it suitable for dairying ?—Yes, it is adapted for that—the whole of it.

11. And this 20,000 acres held by few owners would cut up into what areas for that purpose ?—I should say, in sections of from 50 to 250 acres. I would say that there would be about a hundred farms for dairying purposes.

12. You do part dairying yourself ?—Yes.

13. And what do you do with your milk ?—I separate the milk at my farm and send the cream to Koputaroa, between four and five miles away.

14. How many times a week do you send the cream in ?—Three times a week.

15. You could not send the milk in to Levin if you wanted to ?—No.

16. *The Chairman.*] Why not ? Could you not send it four miles ?—It is eight miles to Levin.

17. How far are you from the nearest railway-station ?—Between four and five miles.

18. *Mr. Luckie.*] Could you send the milk in there every day ?—Yes, if I got up about 1 o'clock in the morning and did the milking.

19. Is it a fact that any farmers in the district do it over that journey ?—We are doing it at the present time, but we have to separate our milk.

20. But I mean sending the milk in and not separating ?—No, not where I am living. I cannot do it.

21. With regard to settlers who live in or about Levin, where does the chief demand come from for the milk ?—Those about Levin have the factory close at hand, but those who do not turn the milk into butter send the cream to Palmerston North.

22. Is there any demand for milk ?—I should say there would be in Wellington.

23. Is there not a large demand in Wellington for the milk from Levin ?—Yes.

24. What is the area of Grace Bros.' land ?—About 5,000 acres.

25. *The Chairman.*] Does that not include some sandy land ?—Yes, some of it.

26. *Mr. Luckie.*] Is 5,000 acres the total of Grace Bros.' area ?—Yes.

27. Do you know of any farmers more than two miles away from the railway-line who send their milk in to Wellington ?—No.

28. If you could get your milk into Levin what would you do with it ?—I would certainly send it to Wellington, because I would get more money for it.

29. How much does it cost you to send your chaff to Foxton or Levin ?—10s. per ton for cartage—that is to Foxton, a distance of five miles, and to Levin, which is eight miles away.

30. Why is there that difference ?—Because they are going in one way empty and coming back with a load. If they were going into Foxton, of course, it is cheaper from Levin. The carriers are at Foxton every day, and they bring merchandise and other stuff cheaper, because as a general rule they go down empty to Foxton and bring the loads back to Levin.

31. What do they charge you for manures from Foxton ?—Just the same—10s. per ton.

32. And Levin ?—8s. per ton.

33. You cannot get it to Foxton, then, except under 10s. per ton ?—No, you have to specially order them to go there.

34. *Mr. Myers.*] You do mixed farming ?—Yes.

35. And apparently you say the tendency is to increase in the direction of dairying ?—Yes.

36. You see the suggested route on the map from Levin to Foxton: how near are you to that line ?—It runs through my property.

37. So that it would suit you quite well ?—Yes; but I am only like a good many more.

38. I suppose you are one of a number of people in the neighbourhood who would like the railway ?—Yes.

39. And have you gentlemen who desire the railway taken any trouble to make any inquiries as to the cost ?—We are thinking about it now. What are we here for, except to give evidence to see if we cannot further it ?

40. Prior to coming here you gentlemen had not considered the cost of the railway, or how it is going to affect the people elsewhere than in your own district ?—I could not say. I think they have all been thinking of it for years. That has cropped up now and then for about ten or twelve years.

WALTER RYDER sworn and examined. (No. 29.)

1. *Mr. Luckie.*] You are a farmer residing at Levin ?—Yes.

2. Do you know the country lying between Levin Station and the Manawatu River ?—Yes.

3. Can you give us any idea of what areas it is at present held in ?—The Macdonald Estate is the biggest estate—they have about 15,000 acres; and there is a large area belonging to the Grace brothers. Some of it is first-class land, the other is second and third rate.

4. How much land there is suitable for dairying ?—The majority of it is suitable for dairying.

5. What is the bulk of it used for at present ?—For grazing.

6. What areas would it divide into ? Would it be suitable for farming if there was better access ?—From 50 acres up to 200 acres, I should say.

7. Would all of that be suitable for dairying ?—Yes.

8. At present those farmers who do dairying on parts of their land—do they send the milk or cream to the factory ?—Any farmers dairying any distance back separate the milk on the farm, on account of the distance. It saves them a lot of extra running about. They take the cream in three or four times a week, whereas they would have to go every day with the milk. In some instances it would take four horses to take the milk, whereas it requires only one to take the cream.

9. Which is the more profitable to the farmer—if he can do it satisfactorily from Levin—to separate or send the milk?—If the conditions are right, to send the milk would pay the best. That is what all the farmers are doing who live near Levin.

10. In what portion of the year do they do that?—Some of them do it all the year round, and some of them only in the winter. The factories run all the year round.

11. With the present prices in Wellington, the tendency would be to increase that practice?—Yes.

12. But the difficulties of access to the railway-line prevent them from sending sufficient milk in?—With those far back it is too far: they cannot get there. They use their skim-milk for feeding the calves and pigs.

13. In your opinion, would more intense dairying set up a larger population?—Yes, if the land could be got for cutting-up purposes.

14. Your farm on the railway-line would not be affected?—No. I know all this country and I have been over practically every chain of it. I have been stock-dealing there for twenty-four years.

15. Do you know what the cost of carting chaff is over the distance Mr. Nicholson mentioned?—It is pretty expensive. I think the figures he gave are correct.

16. *Mr. Innes.*] Are you dairy-farming at all?—No, stock-dealing.

17. And you sell no cream or milk?—No.

18. Have you a freehold property of your own?—Yes, about a mile from Levin Station, on the other side of Levin, straight behind the township.

19. Do you think the construction of this line would improve the value of those large places that you say are suitable for subdivision?—Most certainly it would.

20. And bring more money to the owners of the property?—I should say so.

21. Is that one of the reasons why the land is desirable?—The land is desirable in a good many ways, I take it.

22. Is that a considerable factor in the matter, that it would increase the value of the properties?—It would increase the value of the place generally, and bring more settlers.

23. You say these properties you mentioned are suitable for subdivision?—Yes.

24. Then why do not they subdivide?—That is unknown to me.

25. If the owners are willing there is nothing against subdivision?—No.

26. And the railway would not make it any better or worse?—The railway would make it much better. The owner might not get the same return now as he would if he had the railway running through, and that might cause him to subdivide.

27. No part of that land is more than four miles away from the railway-station at present—take Grace's?—Grace's homestead is not within six miles of any railway.

28. Can you point out where Macdonald's estate is? How far is it from Levin?—At present it is over three miles from Levin Post-office.

29. Do you suggest that the railway is going to make any difference to that being cut up?—That is the nearest portion of it. That is nothing to the miles it runs back.

30. Do you know anything about the dairy-farmers separating their cream—do you not know that it is a constant practice in that dairying district for the farmers to separate the milk because they find it much better to do that and take the cream to the factories two or three times a week?—That is where they have bad roads to contend with, and live some miles back.

31. I suppose you know nothing about the price paid for milk and cream in the Levin district?—No.

32. Do you not know why the man who sells his cream to the factory and lives five miles away gets the same price as the man who lives close to the factory?—That may be, but that is not the case with the Wellington supplier.

BASIL ROBERTSON GARDENER sworn and examined. (No. 30.)

1. *Mr. Skerrett.*] You are Town Clerk of Levin?—Yes.

2. At the request of those in charge of this case you have prepared certain statistical information from the year 1896 down to 1911–12?—Yes.

3. And you have prepared some observations upon the point of the advisability of connecting Marton and Levin by railway with the Main Trunk line?—Yes. [Statement put in—Exhibit 17.]

4. It is, of course, a fact that the residents of Levin desire this connection between Levin and Marton?—Yes.

5. I suppose you concede that but for the connection serving some purposes in connection with the Main Trunk line it would be futile for the residents of Levin to ask for its construction?—Yes.

6. It is as part of the Main Trunk line that the Levin people advocate its connection and construction?—Yes.

7. *Mr. Myers.*] In your statement you speak of the saving in cost of running trains. Have you taken into consideration that extra and special trains would be required to be run between Levin and Marton with the present line for the purpose of making the connections?—No, it is not necessary, because naturally there would be trains running between Wellington and Palmerston, which would practically suit the people along the Manawatu line.

Statement by Mr. LUCKIE. (No. 31.)

Mr. Luckie: There is some evidence which was given before the Public Petitions Committee in 1910 by a Mr. R. B. McKenzie, who is since deceased, and I would like to put a copy of the evidence in. It is as follows:—

R. B. MCKENZIE examined.

The Chairman: What are you, Mr. McKenzie?—I am a farmer in the Manawatu County, and a member of the County Council. I have been Chairman of the County Council, and of Road Boards.

Tell us what you know about this matter?—The first thing I wish the Committee to clearly understand is the exact position of the line. This map, unfortunately, does not show it very well. The County of Manawatu is between the River Rangitikei and Oroua [pointing to map]. From Foxton to Himatangi there are about six miles of Government railway; then it turns and goes through Palmerston to Greatford. This six miles to here [indicating on map] has been constructed. That is a working Government line. From there [indicating on map] the Council has carried the line on to Sandon and Pukenui, within five miles of Greatford. The Government allow us to run our trams over this portion [indicating on map] of the Government line. For instance, we load chaff at Sandon. We run straight in to Foxton over that portion of the Government line [indicating on map]. We take, say, a truck of coal from Foxton: that is put on to our tramway at Himatangi. The tram runs through almost the centre of the county, alongside the County Main Road, and all the branch roads are feeders to it. What we asked for is a connection at Greatford (there have been various schemes) at various times was for the connection. That portion of the line there [indicating on map] was authorized during the time the late Mr. Macandrew was Minister of Public Works—from Greatford to Bull's. I noticed the other day that Sir Joseph Ward was quoting lines authorized. He had this line in as one suggested, but did not quote it as a line authorized, but I understand from Mr. J. G. Wilson that portion of the line was authorized in Mr. Macandrew's time. We got Mr. Fulton, Engineer, at one time to make an estimate of the cost of carrying the line to Bull's. He estimated it could be carried across the present traffic-bridge [indicated on map] at a very small cost, his estimate of the extension to Bull's, a distance of 1 mile 51 chains, being something under £3,000.

The Chairman: Including the cost of strengthening the bridge?—No. When we submitted the matter to the Government they said the bridge would require to be strengthened. £2,650 was the exact estimate for the 1 mile 51 chains, and that is the most expensive part. Then we applied for permission to connect here, Greatford [indicated on map], but we met with a flat refusal from the Government, and we think it is rather hard. We have contributed our full share to the cost of the railways of the Dominion, and have made practically all the roads in our county. Certainly we have made them without any special assistance from the Government. In addition we have spent some £27,000 on our tram, and we find that while the Government are willing to provide sidings for private individuals, they flatly refuse to give us what we ask for—which is equal to a private siding to us. In the meantime, having spent all that money, we still find ourselves without the advantages we consider we are entitled to. The distance from Greatford to Himatangi by rail is forty-four miles. By the shortened route it is twenty-two miles—exactly half the distance; and that does not represent the saving altogether, because we still have to connect with Rongotea. From Greatford to Himatangi is forty-four miles; then we have to go up by tram again nine miles, which makes the distance fifty-three from Greatford to Rongotea by rail, as against fourteen miles by the proposed route. It is sixty-one miles round here [indicating on map] to Pukenui, but only five miles by proposed route. Mr. Drew has given some figures in relation to the amount of traffic that is carried. I would just emphasize this point: that there is absolutely no timber left in the County of Manawatu—neither sawing nor fencing timber. A great deal of it was originally open country, and what bush there was has been cleaned out. Therefore, the whole of the timber comes from the north, and, as Mr. Drew has pointed out, there were 838,000 ft. of timber taken down here [indicating on map] and that was hauled all that way round about. Now, there is a point I would like to impress on you gentlemen, and that is in regard to what has been stated to the effect that this would be an opposition line to the Government. It is nothing of the kind. It has been more of a feeder to the Government line. That 838,000 ft. of timber would never have been brought down to Himatangi by the Government if it were not for the tram, because on this portion of the line into Foxton [indicating on map] there is absolutely no metal. Until we constructed the tramway we could not metal our roads. We have metalled all our cross-roads by this means. People would not send their stuff round to Himatangi and cart it from there, because there was no road. Practically none of that 838,000 ft. of timber would have come round to Himatangi but for the tramway. It would have been put off at Greatford, and carted from there. Instead of working against the Government the line has been made a feeder for the Government railways.

Mr. Pearce: That would not be so if you connected?—The position then would be this: At the present time the bulk of our timber comes from Ohakune. (There is a butter-box factory at Rongotea; the owner of the factory also owns a sawmill at Ohakune.) The question now is whether that traffic is of any use to the Government. From Ohakune to Himatangi is 130 miles, and from Ohakune to Greatford is eighty-six miles. The tariff from Ohakune to Greatford would be 3s., to Himatangi 3s. 6d. The Government, when they have carried it to Greatford for 3s., carry that additional forty-four miles for 6d. on the railway, and the question is, does it pay the Government? In passing through Feilding trucked timber has to be shunted up and down. It goes down to Palmerston, then to Longburn, and then on to Himatangi. Certainly 6d. is a very small amount for carrying for forty-four miles. The minimum charge for timber for eight miles is 8d. But I submit this is not an alien company, and that we are not trying to rob the Government. We own the railways. The railways belong to the people of the country. We are ratepayers in that country. We have paid our full share for the cost of the railways. Even supposing the Government lost by that portion of the line, surely we are entitled to have the shorter and better route. Surely it is in the interests of progress to shorten the distance, and give us the most convenient route. That, I understand, is the function of the Government. I hope you will excuse me for taking up so much of your time, but I have come a long way at my own expense to give evidence in this matter. As to the traffic, what I want to show at the present time is that we are not robbing the Government line, but we are losing traffic ourselves. Our butter (and there are three factories in the district, also nine creameries, I think) is carted to Longburn, or to Greatford or to Longburn. If we had the tram connected we would rail the stock here [indicating on map] and go to Wanganui. Our stock is driven and our butter is carted. Our wool goes down to Foxton for shipment. If connected we would have the advantage, convenience, and profit of the connection, without the Government losing anything: as a matter of fact, they would be gainers. Last year we sent 400 tons of grass-seed away, and you know, gentlemen, grass-seed is required in bush country. We got in last year over 400 tons of manure, and it all comes and goes by rail. It goes down to Himatangi and goes up by rail. If it were not for the tramway it could not have gone that way, and Government would lose it. The most important matter of all is the connection for timber and fencing-material. Then there is the saving in distance, the saving on the wear-and-tear on our roads, the profits that would go on to our trams by reason of the increased revenue, and the increased traffic on the Government line, which would more than counterbalance anything that would be taken from it. The Government would also be able to use the tramway for mail-carrying. The Government are paying at the present time for mails, from Himatangi to two miles up the line, by cart, £30. The cost for carrying mails fourteen miles by them is £10, and that is the only mail we get paid for. They are paying £60 for the mail-carrying to Greatford, and another £60 from Sandon to Bull's. The tramway would be able to carry the mails at a cheaper rate. There are at the present time four coaches daily between Greatford and Bull's, which gives some indication of the traffic. There is the coach from Sandon to Bull's and Greatford, one from the Government State farm at Ohakea, and from Sandon, to Feilding and Palmerston; there are two coaches daily from Rongotea to Feilding and Palmerston, and one from Rongotea to Carnarvon. That gives an indication of the amount of traffic that goes away from the line. I should have said at the beginning, in describing the country, that the land through which the tramway would run is good land. Mr. James Mackenzie, Chief Surveyor and Commissioner of Crown Lands, says in his description of the Wellington Land District, and referring to this particular part of the coast,

"This is some of the finest land in the Dominion"; and further on, "A large block of land was so nearly level that it might be called a plain extending from Paekakariki to Marton, and containing about half a million acres." "Some of the best farming and grazing land in the Dominion" (Official Year-book, 1910, page 777). I do not think there is anything else I can say. Perhaps I have not made my statement very clear, but what I have done is this: I have brought before you the feeling we have in the matter ourselves. We are struggling to better our district, and by bettering our district we would be bettering the whole Dominion.

The Chairman: What you really want is to get the Government to connect Pukenui to Greatford so as to tap the main line, or to obtain leave to do the work yourselves?—Yes. We have not come to ask for a sum of money, but we do humbly petition to be allowed to find the money ourselves, and do the work for ourselves.

Mr. Nosworthy: Am I to understand that you would never have extended the tramway system as close to the Government line if it had not been for Mr. Macandrew's promise that he would connect it?—No, I do not mean to infer that. In describing a portion of the line I said it had been authorized.

Mr. Forbes: Would it not be a great benefit to you if your line were carried in close proximity to the railway without the connection?—If you had to cart stuff for 2 chains, and load it on trucks again, and take it on to Bull's, it would be useless on account of the extra handling.

Mr. J. Duncan: The application to extend, you stated, met with a flat refusal from the Government?—Yes. I will explain that. This portion of the line here will have to be formed under the Tramways Act. When making an application to the Government for a loan for roads we can make provisional application, and the Government says whether moneys are available or not, but under the Tramways Act we have to provide detailed surveys, &c. It would have cost something like £400 or £500 before we could have found out what the Government would do in the matter. Under these circumstances, our Chairman and myself came down and interviewed Sir Joseph Ward, and he promised that if we would put in writing a question of whether or not we would be allowed to connect he would give us a reply. We then said, "Supposing we went through all the formula, would you grant permission to connect?" The reply was that he would not allow us to connect. The line had been offered to the Government on several occasions, and we are prepared to hand it over at any time on conditions to be arranged, and one of the conditions would certainly be that the line be connected. We will hang on to the line otherwise, as the only inducement to part would be to get that connection.

Were there no reasons given as to why permission could not be granted?—I think the answer was that the Government would not give permission to any one.

You are an old resident of the district?—I have been there for half a century.

Did you have to make application for the line to Foxton?—Yes. That was a long time ago, and we paid for our private sidings there. There is no annual charge, but we have to pay for the trucks we run over the line at the rate of 5s. per truck, also truck-hire and totes.

The Chairman: You have your own engine?—Yes. We use the Government rolling-stock.

Mr. Duncan: You got that concession without any trouble at all?—I do not think there was any objection raised. It was not inimical to the interests of the Government line?—It was looked upon as a feeder.

The Chairman: What would be the cost of Pukenui to Greatford?—I think, roughly, £2,000 a mile, and say another £1,000 for strengthening the bridge. About £12,000 would do the whole thing. It has not cost us quite £2,000 a mile so far.

Mr. Newman: You are a member of the County Council?—Yes.

You know that the Council are quite willing that the Government take this line over at cost?—Well, we have discussed the matter several times, and so far as I am concerned I am quite willing to vote for handing over the line to the Government at any time, on condition that the Government make the connection.

Has there been a large increase in traffic on the line lately?—Yes, a very considerable one. Less than two years ago we were only running three trams a week (unless there happened to be something special on), but now we run five a week and even then find sometimes that we have too big a load.

There has been a new industry started at Sandon in the grass-seed industry?—There were some 400 tons of grass-seed sent out last year by tram besides what went by road.

This industry is going ahead very much—the grass-seed is being sent up the Main Trunk line to a large extent?—Yes, principally for the reason that there are no noxious weeds in Sandon.

How does that grass-seed go up the Main Trunk line?—It goes from Sandon down to Himatangi and round that way [indicating on map].

How much longer does it take to send the grass-seed on account of there being no connection?—From Pukenui to Greatford by rail and tram is sixty-one miles, and the other way would be five.

The refusal from the Railway Department was because this line would enter into competition with the Government railway?—I do not know that for certain. I did hear the Hon. Mr. Millar state that he would not favour anything that was going to compete with the Government line, which I thought was unfair.

Do you think this connection would increase the traffic on the Government line?—I think, on the whole, it would.

Stock has now to be driven: it would go by rail if the connection were made?—Yes, a great portion of it would.

The Chairman: Between receipts and expenditure you do not seem to have much profit, after paying your way?—It amounts to this, that all we make off the tram goes to improve it. I should have explained that the original line was laid with 28 lb. rails, and now most of the way has been relaid with new 40 lb. rails. Money has gone also in purchasing an engine and in improving grades, so that if we make £100 it is spent on improvements. The consequence of this is that our tramway working account is showing a loss the whole time, but on the other hand it is showing a profit on capital account. Over £3,000 has been spent out of earnings during the past five years in improvements over and above working-expenses.

How much do you reckon you are saving on the maintenance of roads by having the tram?—It is very hard to tell, but the cartage of 838,000 ft. of timber alone over the roads would make a serious difference to them. I know that the cartage of 30,000 ft. down near the Oroua Bridge left the road in such a state that we had to close it for heavy traffic. It was through a swampy part of the country.

It does save heavy expenditure on roads?—Yes. We do not carry nearly all the grass-seed, because some of it is carted now to Feilding—neither the Government railway nor ourselves get it.

The Chairman: The Minister of Railways is here, and as he is due at another Committee before he goes he might say a few words.

JOHN ALFRED BUSH sworn and examined. (No. 32.)

1. *Mr. Skerrett.*] What are you?—Manager of the Rangataua Timber Company, and also of the Marton Sash and Door Company.

2. How long have you been connected with the sawmilling industry?—About eleven years.

3. The mills belonging to your company are situated where?—At Rangataua and Horopito.

4. What place would you regard as the centre of the sawmilling industry in the North Island?—Ohakune is the centre of the sawmilling industry, in so far as the ordinary timbers are concerned. That is the principal loading-station on the line.

5. Is timber a profitable freight for the railways?—I believe so. It compares favourably with other freights, and there is a higher rate per weight than any other class in comparison with its value.

6. By whom is the loading and unloading done?—The loading is done by the consignor and the unloading by the consignee.

7. At present we know that all timber for the Sandon district that comes down the Main Trunk line gets to Sandon via Himatangi and the tram?—Yes.

8. Would you mind comparing the existing freight tariff with the freight that would be payable if the tram were extended so as to junction with Marton first?—Well, the railage from Ohakune to Himatangi is 3s. 6d. per 100 ft., a distance of 132 miles, and from Ohakune to Greatford—assuming that Greatford is the point where it would junction with the main line—is eighty-nine miles and the freight is 3s. 1d. per 100 ft. Assuming that the junction was made there the saving on timber to the consumer would be 5d. per 100 ft. I assume an equal freight on the tram both ways.

9. And it would save the Department the haulage on forty-three or forty-four miles?—Yes, it would save the Department hauling it from Greatford to Himatangi.

10. Can you help the Commission by saying anything about the delays on the Marton–Palmerston North line in the case of timber, through shunting, &c.?—Well, I should say there were delays on that section. In the first place the timber comes down the Main Trunk line to Marton, and it has to be shunted, and the trains remarshalled up at Marton, whereas they could just as easily be shunted off at Marton on to the new tram-siding, if the tram was extended, and be done with as far as the Railway Department is concerned. The trains have to be remarshalled again at Marton for the timber going south, and in any case I should say they would have to be remarshalled again at Palmerston. I do not know about Longburn.

11. *The Chairman.*] You say that 5d. per 100 ft. would not cover it?—No, it would not cover the remarshalling of the trains and haulage round to Himatangi.

12. *Mr. Skerrett.*] There must be a place between Marton and Palmerston where, in order to conserve the express traffic, the timber-trains have to be put on a sidetrack?—Yes, I should imagine so. At Halcombe there are several tracks for shunting trains.

13. Would you compare the freights with the through Government connection from Marton to Levin?—In the first place I will compare it in regard to timber for the Manawatu—that is, in the Sandon and Rongotea district. At present timber railed to Himatangi is 3s. 6d. per 100 ft., and there is also a rate on the tram which I average at 1s. per 100 ft., which means that the cost to the consumer would be 4s. 6d. per 100 ft. Assuming that the through line was made from Marton or Greatford to Levin, and the through rate applied on the timber which was sent into that district, the distance would approximately be 100 miles and the freight 3s. 2d. per 100 ft. The saving would be 1s. 4d. per 100 ft. to the consumer. That saving is equivalent to 16 or 17 per cent. on the on-truck price of the timber. I might state that for the purpose of this estimate I have assumed that twelve miles from Greatford Station would take the railway into the heart of the Manawatu district.

14. What would that saving be per 100 ft.?—It would save 1s. 4d. per 100 ft.

15. At present the freight on timber from Ohakune to Wellington is what?—3s. 10d. per 100 ft.

16. And the saving on seventeen miles would mean a reduction in freight of how much?—Twopence.

17. That would be a saving of 2 per cent. on the truck value of the timber, would it not?—Yes.

18. You are able to tell the Commission about the markets for the Main Trunk timber, and particularly furnish some information about the Wellington market for the timber?—In what way do you mean?

19. Where do the Main Trunk mills find the market for their timber now?—They find it in practically all portions of the North Island, from Auckland to New Plymouth, and Napier, and in some measure in Wellington. In the Wellington market the Main Trunk sawmillers have not played an important part for many years, except in so far as what I may call the better grade of timbers—that is, heart of totara, heart of matai, and heart of rimu. The timber for which the Main Trunk sawmillers require the widest market is O.B. timber—that is the low-priced timber on the Wellington market, and they have been unable to compete in the past mainly owing to the high cost of railway freight. The result is that the higher railage freight enables South Island or sea-borne timber to come into Wellington. If the deviation were made and any reduction in the freight brought about, or anything that assisted the Main Trunk sawmillers to put their timber on to the Wellington market cheaper, it would be of considerable value to them.

20. *Mr. Hannay.*] Would 2d. per 100 ft. make a difference in the purchases?—Yes, if you could make a saving of 2d. on your purchases you would consider doing so.

21. *The Chairman.*] What do you sell O.B. timber at?—At Ohakune, 8s. 3d. less 2½ per cent. for cash—say, 8s. net.*

22. Freight extra?—Yes.

23. *Mr. Skerrett.*] Will you look at the Harbour Board and railway returns, and indicate what the import of timber amounts to?—The total importation of timber into Wellington last year was 11,862,732 ft.—in round figures, 12,000,000 ft.—that is, sea-borne into Wellington. Of that about 800,000 ft. consisted of Oregon pine, 400,000 ft. from foreign ports, 4,000,000 ft. from Australian ports—that would be Australian hardwood—and from the coastal ports of New Zealand 6,600,000 ft. This latter would consist probably of what is termed O.B. timber, and that timber the Main Trunk line is unable to compete with.

24. *The Chairman.*] What would your mill turn out?—Our mills are considered to be a good average size in the district, and we would turn out about 8,000 ft. or 9,000 ft. per day. We mill at each of our mills 2,000,000 ft. per year.

* See answer to Question 74 and footnote.

25. That is not much for a mill. It is not a large mill, then?—Yes, it is fairly large. It is an average-sized mill for the Rangitikei district.

26. *Mr. Skerrett.*] What prospect has the North Island sawmiller of capturing or competing with a portion of the Wellington trade, if there be a permanent deviation from Marton to Levin, shortening the distance by seventeen miles?—I think that the reduction of 2 per cent. in the price would enable the sawmillers of that line to place their timber more advantageously on the Wellington market, and if that were done it would result in considerable revenue to the Railway Department, which would be fresh business.

27. What does the Railway Department lose for every million feet of timber which is not sent to Wellington per rail?—On the present rate it loses nearly £2,000—to be exact, £1,916 13s.—on every million feet of timber that is sea-borne to Wellington.

28. That is to say, if timber from the North Island mills were substituted for South Island timber, there would be that additional earning-power per million feet?—Yes; but if it came round by the deviation it would not be so much as that: it would be that much less 2d. per 100 ft.

29. *Mr. Hannay.*] If the timber comes from the South Island there is railage?—The railage on the South Island line is only short, and means only a small revenue to the Railway Department.

30. *The Chairman.*] It depends on where the timber comes from?—I assume that the timber comes from the West Coast, and on that railage I understand special concessions are given by the Department.

31. *Mr. Skerrett.*] If the northern sawmillers could capture the whole of the sea-borne trade, it would pay interest on the estimated cost of construction, say, £280,000?—That trade would be 6,000,000 ft., and on the lower rate of railage of 3s. 8d. per 100 ft. it would result in revenue to the Department of £11,000; but by taking only half the sea-borne trade—viz., 3,000,000 ft.—a good portion of the interest on the new line—viz., £5,500—would be provided.

32. *Mr. Hannay.*] And would it also pay the working-expenses?—I could not say; I am not conversant with the working-expenses.

33. *Mr. Skerrett.*] Are there any further observations that you think you could usefully make to the Commission?—I do not think there is very much in regard to sawn timber, but there are other classes of timber which are consumed in that district, and which it is in great need of. I believe settlers in that district have great difficulty in getting it—that is, fencing-posts and firewood.

34. Will you deal with each of these topics?—First of all, regarding the extension of the tram to Greatford or Marton only; and in treating this matter I have not taken into consideration the new 10 per cent. revenue which the Railway Department are now making—I have taken the tariff rates only. Under Class F, at which firewood is carried, it is loaded at Rata, Mangaonoho, Utiku, and even lately at Rangataua, but the principal loading-station may be taken to be Utiku. Rata and Mangaonoho are by far the leading stations, but in a lesser degree at the present time. If the tram is extended to Greatford the saving per truck to the settlers on firewood railed to Utiku would be 10s. 9d. per truck: that is to say, assuming that each truck holds about 3 cords, the saving would be 3s. 7d. per cord, or about 10 per cent. On fencing-posts the central position from which they are obtained is different again: they range from stations from, say, Utiku as far north as Taumarunui; but I would take Ohakune or Horopito, which is the centre for silver-pine posts, as a fair average. Assuming that the tram is extended to Greatford, the saving on a truck of posts consigned to Greatford instead of Himatangi would be 10s. 9d., or 5s. 4½d. per one hundred posts. There are, roughly, two hundred posts loaded into a truck.

35. *Mr. Hannay.*] What is the value of those posts?—You would buy the posts at about £5 per hundred on the truck at the loading-station. Assuming that the deviation is made the rates would be better still, because the through rate would be from the loading-station to another point in the Sandon district, and the saving on firewood railed from Utiku to, say, Sandon would be 17s. 9d. per truck—that is, if the new railway were put through. On fencing-posts, assuming that the line is put through, the saving would be 18s. per truck, or 9s. per hundred posts—that is, almost equal to 10 per cent.

36. *Mr. Skerrett.*] Is there any other observation which you think you could usefully make to the Commission?—That is all I desire to say in regard to the timber business from the mills. The only other matter I would like to mention, speaking as a timber-merchant and manufacturer in Marton, is that we have not been able to do much business in that district owing to the cost of getting our productions into the Sandon district. We make joinery in Marton. We have to send it round by rail to Himatangi, then by the tram again to Sandon, to supply a place only ten or twelve miles away from our factory. To get goods manufactured in our factory to a point, say, ten or twelve miles from that factory it is necessary either to go to the expense of cartage or to take it sixty or seventy miles by rail and thirty miles by tramway. That applies to manufactured goods in the way of joinery. As a matter of fact, as a business man in Marton, I can truthfully say that on the other side of the river, in the Sandon district, it is like a foreign country, and there is no community of interest between the two places.

37. *Mr. Hannay.*] Where would they get their joinery from?—Probably from Palmerston or Feilding; but I should judge it to be more likely from Palmerston, on account of the tram via Himatangi. The fact remains that in that district our factory is the closest to a good portion of it, and the communication is about eighty miles, whereas by a direct line it would be just about twelve miles.

38. *Mr. Skerrett.*] Are you acquainted with the circumstances connected with Mr. Broadbent's box-factory at Rongotea?—No, except in a casual sense. I believe that owing to the cost of getting material to his factory he had to abandon it, and transfer his factory to Feilding, where he still carries on business.

39. *Mr. Innes.*] Do you know the Sandon Township and the district?—I have been through it a good many times.

40. In the township there are no buildings of any kind going up, are there?—I could not say. There were none actually going up the last time I was there, but buildings do go up in that district.

41. Yes, when the buildings fall done. I suggest to you that there is practically no building going on in that district?—Yes, building is going on.

42. In any substantial amount?—A fair amount. There is a fair consumption of timber in that district.

43. Do you know what timber comes into the district?—I should say, speaking from memory in regard to the return I have seen, it varies from 350,000 to half a million feet per year. I got my figures from the Sandon tramway returns.

44. Is there any building going on in the Township of Bull's, say, during the last few years?—Yes.

45. Has it not been standing still like Sandon?—No, it is a very live district down there.

46. And the bulk of the timber comes from where?—The timber has to come from the Ohakune district.

47. You have a good market in Hamilton and Auckland?—No.

48. Do you send anything much north of Horopito?—We send some material north, but the main markets are south.

49. The timber is being fast cut out, up there, I understand?—It is being cut out.

50. The supply of timber is a declining trade?—It is not declining at the present moment: it is increasing. The output on the Main Trunk line is greater to-day that it was four or five years ago.

51. And the imports of foreign timber into New Zealand are greater to-day, are they not?—No; the import of foreign timber last year was less than during the previous year.

52. You supply posts to this district, do you not?—Yes, but not a great deal. I have supplied them to the Sandon district.

53. Do you know of any mills supplying here?—No, I do not know who supplies posts to Palmerston.

54. Is there not a difficulty in obtaining posts from the Main Trunk line now?—Only at certain seasons of the year. The difficulty in getting posts from the Main Trunk line is governed to a certain extent by the weather and the state of the roads leading up to the Main Trunk line. I know that at the present moment there are a large number of posts lying outside Utiku waiting for the weather to improve.

55. There is no scarcity of timber, then?—No, there is any amount of timber suitable for split posts.

56. *Mr. Myers.*] Do you say that all the timber which goes into the Sanson district now comes from the Main Trunk line?—No, not all of it.

57. Where else does it come from?—There is only a small portion, which may come through the Port of Foxton.

58. We may take it that for all practical purposes the whole of it comes from the Main Trunk line?—Yes, for all practical purposes.

59. Do you say that the whole of it, or the greater part of it, which is sent from the Main Trunk line to the Sanson district goes over the present Sanson Tramway?—The greater portion of it does.

60. If all the timber which goes into that district comes from the Main Trunk line and goes over the Sanson Tramway, how is it that the Sanson Tramway, if extended, is going to increase its revenue so far as timber is concerned?—It would in one way increase its revenue by the carriage of timber which it cannot touch at present. Timber for the Bull's district, extending from the Greatford Station down to Parewanui, is carted from Greatford Station, whereas if the tramway were extended to touch Bull's it would carry that timber.

61. Then the extension would carry the timber that is now taken up by dray to Bull's?—Yes.

62. And the Railway Department would make a corresponding loss, would they not?—The timber which I said just now would be additional traffic to the tram is already railed to Greatford Station. The railway-train would still bring it up to Marton or Greatford.

63. Now, with regard to firewood and posts, is the Commission to take it from you that the Sanson district at present gets this firewood and posts from the Main Trunk line?—Principally. If they get it at all it has to come from that locality.

64. They could not get firewood anywhere else?—It is possible, but not as far as I know.

65. Have you seen how much firewood and posts are carried on the Sanson tram?—No.

66. Would you be surprised to know that it is a mere bagatelle?—I would not be at all surprised. That may be due to the high cost of carting it, and the consumption may increase if it were not so.

67. If the consumption of firewood increased you would expect the consumption of coal to decrease proportionately?—Yes.

68. So that any amount derived would be lost so far as carriage is concerned?—Yes.

69. So that if during the last few years the quantity of coal carried over the Sanson Tramway increased and firewood decreased, you would expect if they started importing firewood that the import of coal would decrease?—Yes. With regard to posts, they might possibly increase if settlement increased. The demand for fencing-posts would increase if the areas were smaller and required fencing off.

70. You do not suggest that it would be anything like a big trade?—But if you take any one section of traffic on its own, nothing is big. It is the bulk traffic which makes up.

71. But I am speaking rather of the extension of this new line, so that what you have to look at is the earning-power of the tramway and the expenses and interest?—Yes, but the saving would be of benefit to the district.

72. But I suppose you have not gone into the question as to whether or not there would be sufficient traffic to pay the extra cost of working this tramway and the interest on capital?—I have not, but I surmise that the traffic would be sufficient to do so.

73. Even with posts, supposing a certain area of country were cut up and more posts are required, you do not suggest that that is a permanent trade?—No, that would not be permanent.

74. With regard to O.B. timber, I understand you to say that a Wellington merchant pays the miller 8s. 3d. f.o.b. Ohakune?—Yes, and there is 2½ per cent. discount for cash.*

75. I suppose that is the general trade discount right through, so that we can disregard it?—Yes.

76. Add to the 8s. 3d. how much for freight to Wellington?—3s. 10d. at present: that is 12s. 1d.

77. Then I suppose there is cartage from the railway at Wellington and to the merchant's place of business?—Not necessarily so. The merchant may have it carted direct to the job from the station; but there is cartage in the other case. I should imagine that would be 6d. per 100 ft., which is a fair average. That will be the cost of cartage from the station in Wellington to the timber-yard.

78. Can you tell the Commission what price the Wellington merchant pays for, say, South Island timber: take any kind you like?—I think it costs them at Greymouth—I am not speaking of actual knowledge of the fact—about 7s. 6d. per 100 ft. That would be f.o.b. Greymouth.

79. Do you know what the freight is to Wellington?—These figures I can only give from my general knowledge and not from actual knowledge of the position. My general idea is that the freight is 3s. 6d. per 100 ft.

80. Do you know what the charges are in Wellington?—I think the wharfage is 6d.

81. Is there anything else to add?—No, nothing else. If you take the price at the wharf there would be yarding, which has to be added to the cost of the timber that comes from the South Island, but not on the timber that comes from the North Island, because it is sorted in the sawmillers' yard if it goes to the job direct. Sorting and classing is a service by itself. If the merchant buys his timber in ship-loads from the South Island he has to reclassify it in his yard, but if he gets it from the Main Trunk line the timber is sorted and classed in the sawmiller's yard.

82. What would be a fair amount to allow for sorting?—For sorting and classing, 9d. per 100 ft.

83. Then there is cartage, as in the other case?—Yes.

84. That gives you, for the Westland timber, a cost of 12s. 3d. to the Wellington merchant, as against 13s. 1d. for the Main Trunk timber?—Yes.

85. Is the difference of 2d. per 100 ft., taking this new line, going to help you?—Well, my figures so far as the purchase of timber is concerned, or the selling cost of timber, must be wrong, or my freight must be wrong, because we have not been in a position to sell O.B. timber to Wellington merchants for many years.

86. Do you not think that the difference must be something more than 2d. per 100 ft.?—The difference may be more than 2d., but if a saving of 2d. were effected it would help us to get a portion of the business.

87. Is there any difference in quality?—My opinion is that the North Island timber is of better grade than the South Island.

88. A good deal of timber comes from Pelorus now, does it not?—Yes.

89. Would not that be even cheaper still?—No, I do not think it is cheaper.

90. It would be handier so far as obtaining small quantities is concerned?—No, it has to come across by scow, and you would not expect to get 2,000 ft. of timber by a scow. You must not mix up the timber that has to come across by scow and be sorted, and the timber that comes by truck.

91. Do you not think, after answering the questions I have put to you, that you would want to save a good deal more than 2d. per 100 ft. before you could compete with the South Island timber in Wellington?—No, I do not think so. The charges may increase on the West Coast and 2d. may be an important factor, and if we could displace only a quarter of the Wellington trade we would be doing good business.

92. But you would not be doing good business for the Railway Department if you could only get a quarter of it?—It would be earning about £4,000 for them, gross. In regard to the timber from the North Island, almost 50 per cent. of the untrucked value has to be added on to it for railway freight—all ordinary timbers.

93. *Mr. Skerrett.*] I understand you to make the point that the proportion of through freight on the timber that is assigned by the Department for the carriage from Greatford to Himatangi is insufficient to enable it to be carried profitably over that portion of the line?—As a layman, I should say so. They charge 5d. per 100 ft.; that is equal to 10s. per truck in railing from Marton or Greatford Station round to Himatangi, which is about half the distance; and they charge 3s. for bringing it down from Ohakune to Marton.

---

* Witness subsequently wrote: The price of O.B. timber—viz., 8s. 3d. per 100 ft.—I gave in answer to the Chairman, is the price we charge to the general public. We allow a trade discount of 5 per cent. to the timber-merchants (in addition to the 2½ per cent. cash discount), which makes the price for the purpose of comparison 7s. 10d. per 100 ft. on trucks instead of 8s. 3d., and making the delivered price 11s. 8d. instead of 12s. 1d.

WILLIAM CHARLES KENSINGTON sworn and examined. (No. 33.)

1. *Mr. Skerrett.*] By profession I think you are a surveyor?—Yes, an authorized surveyor.

2. You have retired from the Government service, the last position you held being that of Under-Secretary for Lands and Immigration?—Yes. I appear to-day in the position of vice-president of Marton Chamber of Commerce. They have asked me to come with other delegates to put before the Commission the views of that Chamber; and in order to save time I will, with your Honour's permission, read the different headings which I have tabulated. They are as follows: "(1.) Shortening time between Wellington and Marton Junction by one hour, also enabling train to leave Wellington at 2 p.m. and yet reach Auckland same time as at present: same argument from Auckland to Wellington. (2.) Shortening time to Wanganui and New Plymouth by one hour, and *vice versa*. (3.) Advantage of shortening time between Wellington and Auckland of great moment to passengers arriving by ferry steamers from South Island and bound north. (4.) Proposed route from Levin to Marton almost level throughout—probably an average grade of 1 in 90; very easy engineering country, no appreciable curves nor steep grades to be contended with; distance only forty miles, against fifty-seven round through Palmerston North. (5.) Cost of construction would be from £8,000 to £9,000 a mile, including cost of two new bridges over the Manawatu and Rangitikei Rivers: total cost, say, £280,000, and probably much less. (6.) Construction of line direct from Levin to near Marton would save cost of duplicating present line from Levin via Palmerston North, which must be done in the near future owing to rapidly increasing goods and passenger traffic. (7.) Traffic so heavy at present that Railway Department find it difficult to accommodate the public when special stock-trains are asked for, as the main line 'must be kept clear' for six express trains daily. (8.) Proposed national deviation of Main Trunk line will pass through new country nearly all fit for close settlement. (9.) That acquisition of Foxton-Sanson Tramway from the Manawatu County would enable it to be utilized as portion of Main Trunk line and naturally lessen the cost of construction of the deviation. (10.) That Marton seeks no personal benefit in upholding the proposed deviation, as the new line would become part of the present Main Trunk line at least a mile and a half on the Greatford side of Marton Junction. (11.) That the grade from Marton Junction to where the proposed line will join the present Main Trunk is about 1 in 80 or 90, but from thence onward to Greatford by present line is a very steep grade, about 1 in 40 or 50. (12.) That owing to the numerous curves and steep grades on the Palmerston North–Greatford line the wear-and-tear of the rolling-stock and the extra coal used to maintain a good head of steam would be greatly obviated by the construction of the new proposed line. (13.) That in all older lands it has been found that the running of fast trains—express passenger and express goods—involved extensive deviations from the old-established routes in order to quicken communication, and the extraordinary growth of the populations of cities such as Auckland and Wellington will force the Government before long to carry out the same policy in this country: this also applies equally to Wanganui and New Plymouth as to Auckland and Wellington. (14.) With reference to Palmerston North being deprived of certain railway facilities by the proposed deviation: when national questions and conveniences are involved all towns so situated in older lands have had to submit for a time, but have never suffered any real set-back, the extension of population, the extension of the railway to Gisborne and adjoining districts will soon demand many more through trains to Napier and Gisborne, all of which must pass through Palmerston North. (15.) The important town of Wanganui and through passengers for the Main Trunk line from New Plymouth and towns on route are now served by extra trains from Wanganui to Marton Junction, connecting there with the Main Trunk trains: suitable trains would in the same manner run from Palmerston North to Marton Junction and connect with through expresses. (16.) Particular emphasis is laid upon the fact that no local body is asking for the construction at present of the Main Trunk national deviation, but they are urgently pressing for the acquisition by the Government of the proposed through line, feeling certain in a very few years the public will demand that the new line be made." Those are the views of the Marton Chamber of Commerce upon the Main Trunk line question. Now, if I may be allowed to state, they have also asked me to put their views before the Commission upon the question of the Sandon Tram. The Chamber is strongly of opinion that the Government should acquire as part of the railway system the Sandon Tramway and utilize it by extending it to Marton, and thus form part of the railway system. That is, of course, quite apart from the question of the Main Trunk deviation. They are of opinion that the line would probably be worked in the same manner as an ordinary light line—the same kind of line as Mr. Furkert was sent Home to England to report upon—viz., light lines for the purpose of feeding the main railway system. Failing that course being recommended, the Chamber thinks that the local bodies should be allowed by Order in Council to extend the Foxton-Sandon line to somewhere near Marton Junction, that it may be treated as a private line. The Government might put a clause in to the effect that if they wish to purchase or take over the line at any time they should have the right to take it over without paying anything for goodwill. Those are the views of the Chamber of Commerce which I represent.

3. Is there any further observation you would like to make?—I do not know whether I am in order in referring to some evidence given just now in connection with the ordinary traffic on the Sandon Railway, but if so I should like to point out that the Railway Department would not lose by having a line running from Foxton to Marton as a centre. This is only my own opinion. It is not only the traffic for timber and posts, but I might emphasize the fact that the Railway Department would benefit by merchandise being shipped to Foxton and thence going by a railway-line instead of being shipped to Wanganui. It does not go by the Main Trunk line from Wellington, but, as it is at present, so much merchandise is shipped to Wanganui;

thence it goes back to Marton by rail; but since motor-lorries have come into being there are no less than four running from Wanganui to Marton carrying a very large proportion of goods in competition with the Railway Department. My opinion is that if the Railway Department had a line running under their own control from Foxton to Marton, great quantities of this merchandise, instead of being shipped to Wanganui and coming back, would be sent direct to Foxton and distributed to Marton. I think the Railway Department is losing a good deal of traffic on that account.

4. You will observe that if permission were given to extend the tram so as to connect with the Government line at Marton, the Government would still control the line, because they control the section from Himatangi to Foxton?—Yes.

5. And if they supply the rolling-stock they still retain control of the line?—Yes.

6. I judge from what has been said in a memorandum read by Mr. Myers that it will be suggested that the duplication of the line is not an immediate possibility: what have you to say about that?—Of course, I am only speaking my own personal opinion, and that is that within five years from now the present railway-line will have to be duplicated. The erection of several new freezing-works between Palmerston and Greatford and the running of several stock-trains, with the extension of population—for this Dominion will have an enormous expansion of population after the war—will involve, to my mind, certainly within five years the duplication of that line.

7. It is suggested that the purposes of duplication may be well served by the provision of numerous and somewhat extensive sidings?—Well, of course, when you have a railway system with fast expresses and fast express goods, which must come by-and-by, every time you put in a siding you involve a certain delay, especially with trains that have to be shunted on to the siding to wait whilst other trains pass. Then, for the safety of the public, there is no doubt that the duplication of the line is much safer for the running of a large number of trains without side-tracking.

8. Could you give an illustration with regard to deviation for shortening distances in England?—Yes. I know one particular case which is almost parallel with this: in connection with the Great Western Railway. They used to run all expresses and mail-trains from Exeter through Bristol and Bath to London. They also ran through Somerset, passing through Westbury, Trowbridge, and Chippenham. A few years ago, owing to pressure of public traffic and public opinion, and also in order to shorten the journey to London, they were forced to run a line twenty-one miles in length, which is almost exactly similar to the loop we are now proposing for shortening the Main Trunk line, instead of which the line went round in a curve. The company ran straight from Westbury to Savernake through Lavington. The effect of the traffic was the quickening of the journey to London by quite an appreciable time; but the peculiar point was that neither Trowbridge nor Chippenham suffered in the least by the shortening of the line for the main expresses and main express goods-trains. May I now refer to the Wairarapa line. Before the Government acquired the Manawatu Railway the whole of the express trains to Napier went round via Masterton to Napier. When the Manawatu line was acquired by the Government the express and mail trains were taken off and sent via the Manawatu district. Masterton does not see them, and yet Masterton has not gone back in value to the least degree.

9. *The Chairman.*] There is this distinction: you forget that Palmerston is the junction for these east coast lines, and if you are to give the east coast people the same facilities you must have special trains leaving the Palmerston Junction for Levin and Marton to catch the expresses?—But, your Honour, the Railway Department are running special trains from Wanganui to connect with the Main Trunk express.

10. The Wanganui people complain that special trains are not run?—They have one that goes to meet the express in the afternoon, and another to meet the morning Main Trunk express. The train arrives at 5.15 from Wanganui and the express goes on from Marton at 5.30.

11. I came from New Plymouth a few days ago and had to wait at Marton for two hours to connect with the express?—That would be the case from New Plymouth, but not from Wanganui, which I was quoting.

Mr. Myers: No questions.

RICHARD WILLIAM MCVILLY further examined. (No. 34.)

1. *Mr. Skerrett.*] You might tell us the average working cost of the New Zealand railways per train-mile?—6s. 2½d., I think.

2. And adding interest upon the thirty millions of money invested would make it 10s. 2d.?—I have not worked it out.

3. Could you tell the Commission the total working cost of the section from Marton to Palmerston or Marton to Levin?—No, I could not. The working cost is not kept in sections. The whole of the North Island system is treated as one section, under the heading of "North Main Trunk and Branches."

4. So it is impossible for you to supply the operative cost of any section in the North Island?—We cannot supply that, no.

5. Nor could you give me, therefore, the revenue produced by the section or to be attributed to the section Marton to Palmerston, or Marton to Levin?—Yes, we could give that. It requires addition.

6. You put in a return headed "Return of Traffic carried on Main Line between Levin and Marton" [Return put in—Exhibit 14]?—Yes, that is so.

7. Would you mind explaining the basis upon which this return is made?—It shows the traffic Thorndon to Levin—that is, all stations Thorndon to Levin—to and from stations between Marton Junction and stations north thereof.

8. That would mean that every train that leaves Thorndon goes to Levin and to Marton Junction?—Oh, no. This return shows the business, not the trains: it is the traffic.

9. *The Chairman.*] That is, there were 92,757 passengers carried from Thorndon to Levin?—Thorndon and all stations to Levin, inclusive, to Marton Junction and stations north—that is, the Main Trunk and New Plymouth.

10. The tickets were issued in Wellington?—Wellington and stations to Levin.

11. *Mr. Skerrett.*] So that 92,657 passengers travelled from Thorndon to Levin, inclusive, to Marton and north of Marton?—Yes, to and from.

12. That is not very useful, is it, in endeavouring to ascertain the revenue and expenditure?—I should say it is extremely useful in endeavouring to ascertain the revenue. I do not know how you are going to ascertain it in any other way.

13. How would you ascertain it for that particular section?—I would take out the business between the different points we have given. Take Thorndon Section to Levin: if you want to know what the traffic over that section is for the districts beyond Marton it is shown there. That includes the traffic both ways. If you want to know what it is on the New Plymouth line it is shown in the next column. Then you have cattle, sheep, live-stock, minerals, and the revenue.

14. We want to know how much of that £130,000 is earned by the mileage from Levin to Marton. It is a mileage fare all **round?—Yes**, it is one penny and one-third per mile, second class.

15. *Mr. Williams.*] Is there any other figure you could give us from which we could deduct this £130,000 to give us the trade over that section?—It is one penny and one-third per mile per passenger.

16. But we do not know the number of firsts and seconds. Supposing that was seconds and you had the total from two points, taking one from the other would give the difference. Is there anything that you could give which would give that?—The only way you could get information of that sort would be by putting on a special staff to check the through tickets and taking out the various passengers. It would be a huge work. Even this return I have produced took something like fifteen men about three months to prepare, and I submit that it is immaterial. Any overlapping you have there, you have the same thing further down crediting the section, so that the section is getting the full credit. Take Koputaroa to Greatford Section: there is local traffic there. They get the full credit for all their fares, and it is quite immaterial from that point of view.

17. *The Chairman.*] Those are local tickets issued on that section?—Yes, that is so. Then you have the Terrace End – Napier – Wairarapa Section. If you have the mileage in that it more than counterbalances what you have got in the 92,657. To all intents and for practical purposes it is quite good enough to work on.

18. *Mr. Skerrett.*] What operation would you adopt in order to find the revenue from freight and passenger traffic from this return on the section between Levin and Marton?—The only way you could get that would be by dealing with the traffic as it arises. You would have then to take the mileage proportion. You could work it out if you had a clearing-house, but we have not that system.

19. *The Chairman.*] Are there any other returns you could give us which would help, Mr. McVilly?—No, your Honour. I have not at the present time.

20. *Mr. Skerrett.*] Is there any other material in the shape of statistics that you propose to submit to the Commission—any statistics of income or revenue that are likely to be affected by this proposed alteration or deviation?—As far as I know at the present moment this return is the main thing.

21. Have you prepared any subsidiary statistics based on this return?—No, I have not.

22. *Mr. Williams.*] In paragraph 5 of the Department's objections which we have before us it states, "It would necessitate a very large increase of train-mileage." Do you propose to prove that or state that?—I propose to prove it.

23. Is not that what Mr. Skerrett wants?—I have not prepared that yet.

24. *Mr. Luckie.*] Is it possible to show us what the extent of the through passengers are from Wellington to Auckland and Auckland to Wellington by express trains?—No; you cannot distinguish between the operative expense of one train and another.

25. Not even in the expresses?—No. As a matter of fact, if you did you would simply have to say that the bulk of the expenditure was necessitated as a result of running expresses and for passenger-trains, because all the safety appliances and the great bulk of the staff is employed to secure safety. All the expenditure on interlocking is incurred to secure the safety of passengers. You could run goods-trains with very simple appliances.

26. It may be said that the goods-trains are responsible for the bulk of the railway earnings?—No; what I am saying is that your passenger-trains are responsible for the bulk of the expenses. I will be very pleased to supply any figures I can to Mr. Skerrett as soon as I get them made out.

27. *Mr. Skerrett.*] Could you give me the train-mileage run in the North Island in a year and the train-mileage run by expresses in a year?—Yes, I think so.

28. Could you give me the train-mileage run over the Marton–Levin Section in a year?—Yes, but I would have to get that out.

29. When you come to give your evidence could you supply the Commission with some information as to the proportion which the revenue and operating cost bear to the train-mile?—Yes. As a matter of fact, you have it here: you have the total earnings and total expenditure.

30. Have you yet considered the shortening of time which this deviation would result in on the Auckland and New Plymouth expresses?—Well, I am not prepared to admit that there is going to be any shortening of time.

31. Have you got any report from any officer of the Department upon the question?—No, we have not.

32. What occurs to me is that a question of this kind would be a mixed question to be considered partly by engineers and partly by those concerned in the traffic arrangements?—No, it is purely a traffic question.

33. Is it not a mixed engineering question?—No; the Engineering Department has nothing whatever to do with the running of trains. It is a traffic question pure and simple.

34. In a question of this kind I should have imagined that you would have had some report by the Engineering Department and by the Traffic Department on this suggested deviation?—Well, we have not taken the suggested deviation into consideration at all.

35. I understand you produced plans?—Yes, the original survey plans made in 1878 and 1879.

36. For what?—For the Public Works Department. That is part of the scheme. It was a survey that was made at the time that the Government were considering how they were going to connect Wellington with Waitara and New Plymouth. The original railway was known as the Foxton-Waitara-Wellington Railway. The Foxton Tramway was made first. There was a difficulty in getting out of Wellington, and that survey was made, I think, by Mr. Hill.

37. Have you any data relating to the survey or construction of the line from Foxton to a point at or near Marton?—No. I think a survey was made by the Public Works Department in the early days, but the plans were burnt at the time of the fire in the Parliamentary Buildings.

38. Have you any report or information as to the estimated cost and construction of that line, Foxton to Marton?—We have Mr. McKerrow's report [Exhibit 16] which has been read. He says that the cost in 1896 would have been at least £300,000.

39. Then the item in his report "£200,000" is a clerical mistake for "£300,000"?—Yes.

PALMERSTON NORTH, FRIDAY, 26TH MAY, 1916.

FREDERICK CHARLES WILSON sworn and examined. (No. 35.)

1. *Mr. Luckie.*] You are Mayor of Marton, and have resided there for how many years?—Twenty-five years.

2. You have had some connection with the Railway Department in the past, I believe?—Yes.

3. You are retired now, are you not?—Yes.

4. You can give us some evidence, I think, as to what it costs in Marton under existing conditions to import goods which are consumed there?—Yes.

5. I refer you particularly to benzine and kerosene?—Yes. It is imported from Wellington via Wanganui via sea, and from Wanganui is carried by motor-lorry at a cost of 2s. 1d. per case. That is the shipping freight, wharfage, and lorry charge.

6. How are the charges made up?—When you take it per ton it costs 14s. by sea from Wellington to Wanganui, then 3s. wharfage, and 1s. 3d. per case by motor-lorry. It does not touch the railway at all.

7. What is the present rate by rail from Wellington?—About £3 2s. or £3 3s., working out at about 2s. 5d. per case.

8. If the line was shortened by going through Levin to Foxton and then on to Marton, what would it be reduced to?—About 2s. 2d.

9. Would there be any advantages in the matter of delivery?—It would be delivered practically the same as now.

10. And the Railway Department would get the whole of the freight instead of getting nothing at all?—Yes.

11. Then they could afford to make a concession?—I should think so. They lose the freight altogether now.

12. *The Chairman.*] Do the vessels which bring the oil from America go direct to Wanganui or tranship at Wellington?—Tranship at Wellington, I believe.

13. *Mr. Luckie.*] How many tons of kerosene and benzine go into Marton in a year?—About 150 tons in twelve months.

14. What would be the freight which the Railway Department would gain under those conditions if they had the freight instead of it going to Wanganui from Wellington?—There are twenty-eight cases to the ton: that is 56s. per ton on 150 tons.

15. They could still make the concession and make £350—Yes.

16. What about groceries?—I cannot say very much with regard to groceries, but they are chiefly purchased in Wanganui and taken to Marton by motor-lorry, and a shortening of the route through Foxton I am told by the tradesmen would considerably reduce the cost of the goods in Marton.

17. With reference to benzine, can you tell us what is paid when it goes to Foxton by steamer and from there by tram to Bull's?—I think 16s. 8d. or 17s. per ton. We pay 2s. 1d. in Marton. It is only nine miles difference by road between Bull's and Marton.

18. *The Chairman.*] You seem to say that motor-lorries can compete with the railways?—They do.

19. Why can they not compete with the railways going down to Foxton?—The road is not quite so good. They only compete with them, so far as I can understand, because the goods are more easily handled; but it seems a strange thing that the railway should reject custom.

20. I suppose the Marton people are acting quite rightly if motor-lorries are cheaper than the railways?—The Wanganui route is a bad road, no doubt, but it is shorter to Wanganui by six or seven miles than to Foxton. The Wanganui road is pretty steep in some parts.

21. *Mr. Luckie.*] I understand some firms at Marton get their drapery direct from Wellington?—Yes, by rail. It costs about £3 per ton; but most of them get it via Wanganui in the same way as the benzine and kerosene come.

22. Would there be a material reduction in the freight charge if the line were diverted?—I am told so, to the extent of about 5s. per ton.

23. A considerable quantity of artificial manures go to Marton?—Yes; several thousand pounds' worth go by rail from Wellington, and the shortening of the route would mean 9d. per ton, or a saving of about £150 to the consumer.

24. Would that affect the carriage of cattle in the same way?—Yes, in the same way.

25. I think you were stuck up last night?—Yes, I was stuck up by one of those wretched crossing sidings.

26. You explained to me that you saw an instance of the extreme traffic that takes place in stock-trains—you saw one that was 250 yards in length?—Yes; they frequently pass my house of that length.

27. The bulk of the stuff going where?—To Wellington.

28. About how many through trains go through Marton on this section every day?—About sixteen or eighteen.

29. And how many trains are there of which Marton is the terminal station?—Sixteen.

30. Of which how many pass through this section?—I think, four.

31. Does that include special trains of any kind?—No.

32. Is the number increasing?—Yes, I think so, within the last two or three years. I might say that a stock-train that passed my house the other day contained forty trucks of cattle. That is not an infrequent thing at all. If it passed through Palmerston one cannot wonder why trains are stuck up in the Square. So far as Marton is concerned the Municipal Corporation imports from 1,200 to 1,500 tons of coal per year, and we should be very glad to get that through Foxton, because it is stuck up very much in Wanganui. It is put on to us by the railway by the way of demurrage unless we can cart 150 tons per day, which is quite impossible for all the cartage in Marton. The coal goes to Wanganui, and then by rail from Wanganui to Marton Junction.

33. You would get it much cheaper if it went by rail to Foxton?—Yes, much.

34. *Mr. Williams.*] By the present rail?—No; we get nothing through Foxton by rail. There is one point with regard to Marton and Foxton. Foxton is a place of about fifteen hundred inhabitants and Marton about two thousand. Frequently we want to transact business in Marton, and we have either to hire a motor-car at considerable cost or go round by way of Palmerston, nearly sixty miles, to do what would otherwise be a journey of twenty miles, and then we have only one hour to transact business in Foxton, and it is impossible to get back the same day.

35. *Mr. Hannay.*] Are you correct? Supposing the Government railway were from Foxton to Marton—that is about the same distance as Wanganui to Marton—what advantage would you have in the matter of freight?—In this way, that the shipping freight is not quite so much by 1s. or 2s. per ton to Foxton, and there are wharfage rates. I do not suggest for one moment that Foxton can all round compete with Wanganui: I think that is quite impossible.

36. I think you would find that the freights are about the same—the distance is about the same?—I have not had practical experience of the cost. We have not had any coal through Foxton, but that is my information.

37. *Mr. Myers.*] Do you by any chance ever travel as a passenger by the Sandon Tramway?—Never.

38. You know it?—I know portion of the tramway.

39. You are not anxious to travel as a passenger?—I do not know. I would if the necessity arose.

40. But it is not a very fast express?—I have not the least idea.

41. Supposing that tramway were extended to Marton it would not encourage a large passenger traffic from Marton to Foxton?—Well, I should think so.

42. What you want is the connection by railway?—Yes. We want cheaper merchandise too, and if we got the tram-line from Foxton to Marton we will be very thankful indeed.

43. But as Mr. Hannay put it to you, supposing the freights to Wanganui and Foxton are the same, where are you going to derive your advantage in Marton?—We would derive no advantage. I do not see how we could—the thing speaks for itself.

44. I suppose there is a good deal of motor-lorry traffic between Wanganui and Marton?—Yes. The lorries run three or four times a day, and carry about 2 or 3 tons.

45. And do they carry anything back?—Yes, parcels and goods and exchange goods; but there is very little that goes out of Marton. I suppose there are quite 20 to 30 tons per week going from Wanganui to Marton by motor-lorry.

46. Would you say what is the distance by road from Wanganui to Marton?—About twenty-six miles, and thirty-three by rail.

47. How long does it take motor-lorries to do that twenty-six miles fully laden?—About two hours.

WILLIAM McKENZIE sworn and examined. (No. 36.)

1. *Mr. Innes.*] You are, amongst other things, secretary of the Palmerston North Chamber of Commerce?—Yes.

2. You have, as secretary of the Chamber of Commerce, been in communication with the various local bodies with reference to this proposed railway deviation from Levin to Marton?—Yes.

3. The deviation I refer to has nothing to do with the tramway?—No, the deviation of the railway.

4. Are these the various copies of the resolutions that you have received from the various local bodies [produced]?—Yes.

Mr. Innes: And they read as follows:—

Palmerston North Chamber of Commerce.—"That in view of the number of railways urgently required to open up undeveloped country, the suggestion to construct a line from Levin to Greatford is in the opinion of this Chamber entirely inadvisable."

Dannevirke Chamber of Commerce.—"The Dannevirke Chamber of Commerce desires to lodge an emphatic protest against any deviation of the Main Trunk railway-line that would rob the Hawke's Bay Province and east coast district generally of the convenience of the junction at Palmerston North. The Chamber of Commerce further considers that before any large sum of money is expended on the duplication of existing lines the main arterial lines of the Dominion should be completed, and in this connection would emphasize the disadvantage under which the east coast of the North Island is placed through lack of railway communication."

Hastings Chamber of Commerce.—"Hastings Chamber wishes enter strong protest against this proposal as being entirely opposed to public interest in this district."

Napier Chamber of Commerce.—"This Chamber supports your opposition proposed Levin–Greatford deviation, and strongly of opinion no new lines should be commenced until main lines in course of construction are completed."

Pohangina County Council.—"This Council strongly protest against the deviation of the Main Trunk line via Levin and Greatford. Apart from the inconvenience that will be caused by Palmerston North and Feilding, as well as the east coast, being cut off, the fact remains that the proposed district through which the deviation would go is well served both by tram-line and good roads. And this Council is of opinion that as long as large tracts of country in the North Island remain undeveloped and lack communication either by road or rail, such expenditure as is suggested is absolutely unwarranted."

Kiwitea County Council.—"That this Council emphatically protests against the proposed Levin–Greatford Railway deviation, on the ground that the settlement through which the proposed line would pass is already well served with railway communication. The deviation would be a serious loss to the rapidly rising towns of Palmerston North and Feilding, situated in the most fertile district in the North Island. The deviation would cut off the junction of the Napier and Wairarapa lines, carrying the railway out to the sea-coast through tracts of sand, leaving large areas of rich land in Kimbolton, Apiti, and Rangiwahia districts entirely without railway communication, districts through which a deviation of the Main Trunk line can be obtained to shorten the route from Wellington to Auckland by a greater distance than the proposed one. In the event of a deviation having to be made to shorten the Main Trunk line between Auckland and Wellington at some future date, the Government be urged to make a deviation between Feilding, Kimbolton, Rangiwahia, and Mangaweka. By so doing it would open up a large amount of first-class country."

Feilding Borough Council.—"That this Council protest against the proposed deviation of the Main Trunk Railway between Greatford and Levin, and is of opinion that should the Government contemplate making any deviation in railway such deviation should be made between Feilding and Utiku, via Apiti and Rangiwahia. By so doing the railway will be shortened by several miles, and the development in this inland district, which is one of the best producing districts in New Zealand, would be materially assisted. The Council would also draw the attention of the Government to the fact that the railway from Wellington to Levin skirts the sea-coast, whereas the object of railway should be to tap the interior, and by making the deviation suggested this object will be obtained."

Oroua County Council.—"That this Council enters an emphatic protest against the proposal to deviate the Main Trunk line between Levin and Greatford, and considers that the proposed deviation is a total waste of public expenditure, and against the interests of the community generally."

Resolution of Public Meeting at Rangiwahia.—"That this meeting enters its protest against the proposal to spend public money on a deviation of the Main Trunk Railway between Levin and Greatford, on the ground that the advantages of such a proposal would not be commensurate with the cost; that when public money is available for such a purpose it would be more wisely spent both in the interests of the Dominion and of the locality concerned in opening up the land between Feilding and Utiku, via Apiti and Rangiwahia, by the construction of a line of railway, as it would shorten the distance between Feilding and Utiku, and ensure the further development of the most fertile and best producing districts in the Dominion."

Resolution passed by Public Meeting, Apiti.—"That this meeting of settlers of Apiti and district desires to record an emphatic protest against any deviation of the Main Trunk line from Levin to Greatford as detrimental to the interests of this district, closely settled, containing a huge area of fertile land, and greatly handicapped at present by want of railway facilities, and is of opinion that if any deviation is contemplated it should be run via Kimbolton and Apiti from Feilding to Utiku, thus opening up a closely settled and fertile district; and, further, we protest on the ground of national war policy against any construction of railways along the sea-coast while large and important inland districts are suffering from want of railway facilities."

Kairanga County Council.—"That in the opinion of this Council the proposed deviation of the Main Trunk line via Levin and Greatford is quite unnecessary, and will be a retrogade step, and that while large blocks of land in the North Island still remain undeveloped and are without means of communication either by road or rail, any expenditure on such a proposed deviation in a district that is already well provided with travelling facilities would, in the Council's opinion, be a national waste and absolutely unwarrantable."

5. *The Chairman.*] How far is the Kimbolton Township from Feilding?—Seventeen miles.

6. How far does the good land extend up?—I do not know it personally.

7. *Mr. Skerrett.*] It is clear, is it not, that those resolutions refer to the construction by the Government of an additional line from Marton to Levin as part of the Government railway system?—Yes.

8. Can you tell me whether the Palmerston North Chamber of Commerce considered the question whether the extension of the tramway to a point at or near Marton was objectionable, not as part of the Government railway system?—Yes, that was considered, but it was decided not to take any action in the matter. They remained neutral.

MELDRUM ALFRED ELLIOTT further examined. (No. 37.)

1. *Mr. Innes.*] You are an exporter and merchant carrying on business in Palmerston North?—Yes.

2. You deal in beef, mutton, wool, and produce of all kinds?—Yes.

3. And grain?—No, not much in grain. We used to do, but not now.

4. Do you know the present Manawatu County tramway-line?—Yes.

5. And the land in the vicinity?—Yes.

6. You know Dalrymple's and Wilson's land?—Yes, I have been over it.

7. It is suggested that those lands are suitable for subdivision: do you know whether that is so or not?—A large portion of it is not suitable, particularly down near the sea-coast. Those are the sandy ridges.

8. You are a member of the Palmerston North Chamber of Commerce?—Yes.

9. In your opinion and with your knowledge of the country is it likely that the extension of the tramway or the construction of a railway is likely to induce those large holders to subdivide their land?—I should say they have almost the same inducement to subdivide now as if the railway were put there. At no point are they more than seven or eight miles from an existing railway.

10. There is a lot of valuable land in the Kairanga on the banks on the Oroua River?—Yes, I have 800 acres there.

11. All that land is very highly valued?—Yes, from £50 to £60 per acre, and all occupied.

12. That land produces crops and sheep?—Yes, and farm-produce of all kinds.

13. Are those lands not as far away—an equal distance from the railway—as the Sandon lands are from Greatford?—Yes, practically. Their nearest railway-station would be Longburn.

14. There are a lot of lands near Awahuri, and Palmerston would be the nearest station?—Yes.

15. Do those lands experience any difficulty in getting their produce to the market?—No.

16. If you were buying sheep in Marton for Kairanga, would you bring them by train?—No; we frequently drive them down.

17. Do you know whether it is the regular practice of buyers in this district and in Hawke's Bay to drive them through?—Large flocks are driven through.

18. It is suggested by Mr. Purnell that the only people who would drive sheep through would be those people who were wanting cheap grazing on the route?—I do not think that is so.

19. You do not agree that droving is a thing of the past?—Certainly not. At present we are driving two hundred cattle from Stratford to Wanganui to the freezing-works there.

20. In your opinion are sheep or cattle knocked about in driving?—No, they do not get so much knocked about as they do in the trucks sometimes.

21. Do you know whether or not the Gear Company, of Wellington, drive their fat stock to Wellington from this district?—I should say they generally rail it from Manawatu lower down. From Otaki I should say they may drive it.

22. You have had some experience of straw chaff?—Yes.

23. I think you have heard the witnesses say that they generally burn it in Sandon because it does not pay to get it to the market?—I should say the demand for straw chaff is very intermittent.

24. You have recently dealt in straw chaff?—Yes. When there was a demand for straw chaff was last year, when there was a drought: there was a demand for any kind of produce; but the demand for straw chaff is very intermittent. In some seasons there is no demand at all.

25. Is the burning of straw chaff in the Sandon district peculiar to that district?—Certainly not. I have seen straw burnt even alongside the railway-line.

26. That is because of the risk of a market?—Yes, because in some seasons there is no demand. It would not be worth cutting.

27. *Mr. Skerrett.*] This Kairanga area is largely given to dairying and to the production of fat sheep, lambs, and cattle?—Yes, but there is some cropping done.

28. But only to a negligible extent?—Dairying and fattening are the chief things.

29. You know this Sandon Tramway has been in existence some thirty years?—For a long time, yes.

30. It is connected at the Himatangi end with the Government service?—Yes.

31. Does it not appear to you to be rather incongruous that if the tram has been in existence for thirty years and that if the settlers choose to pay the cost of extending it to Marton that they should not be permitted to have the connection with the Government railway-line? Can you conceive any objection from a public point of view why the connection should not be made?—Yes, for this reason: that if it ended at the connection with the Government line, well and good; but to my mind it would not end there. It is simply the thin end of the wedge: they have a more ambitious scheme.

32. What do you suggest is the more ambitious scheme?—For the Main Trunk line to be diverted from Marton to Levin.

33. You have no intrinsic objection from a public point of view to the connection at Marton, but you are afraid it will be like a voice crying in the wilderness?—No, if it ended at the connection the matter would rest with the Rangitikei people, but I say it will not end there.

34. *Mr. Williams.*] Do you mean the agitation will not end there or that the tram-line will not end there?—If they got the connection with the tram-line the next agitation would be to put a heavier line down and run the railway over it.

35. *Mr. Skerrett.*] Do you not know that it is the settled practice of farmers wherever possible to rail their fat sheep and fat cattle to the slaughterhouses?—As far as fat lambs are concerned it is the case, because the lambs waste very quickly, but not so as regards wethers and beef.

36. We have had evidence from a number of farmers, who have all asserted that it is the general practice that wherever possible fat stock should not be driven, but railed to the freezing-works?—I do not agree with that if it is over a short distance.

37. Do you not know also that it is the policy of farmers wherever possible to bring their stores by rail where they have to travel an appreciable distance?—If they have to travel long distances they would bring them by rail.

38. Say, a hundred miles?—Yes, possibly, but anything less than that I think they would be driven. It would depend upon circumstances.

39. Is it not a fact that where a farmer goes and buys stores he puts them on the nearest railway-station, and sends them down by truck and not by road?—It does not always apply.

40. *Mr. Luckie.*] Is this statement correct: "Total number of bales of wool trucked from Palmerston North, Feilding, Marton, Hunterville, Taihape, Woodville, Dannevirke, and Pahiatua railway-stations for year ending 31st March, 1915, 57,197 bales; shipped via Foxton same period, 7,942 bales; forwarded per rail to Wellington, 49,255 bales"?—Yes. I cannot say where they came from. It shows that that number of bales were trucked to Wellington. They would not go to anywhere else than Wellington.

41. The bulk of that 7,942 bales would come from where?—I should estimate that that shows that about 13½ per cent. of the total wool trucked from those stations went to Foxton, but we would have to take into consideration the wool produced in the immediate vicinity of Foxton. I should say 10 per cent. of the wool produced from the stations mentioned went via Foxton, and 90 per cent. went by rail to Wellington.

ARTHUR EDWARD PEARCE sworn and examined. (No. 38.)

1. *Mr. Innes.*] You are a farmer in the Kiwitea district and Chairman of the Kiwitea County Council?—Yes.

2. You were at one time a resident of the Sandon district?—Yes, I lived in the Sandon district for about twenty years. Kiwitea lies between Rangitikei and Oroua Rivers, and includes the towns of Kimbolton and Rangiwahia. My parents lived in the Sandon district, and I lived there until I was twenty-four years of age.

3. It is said the farmers in that district usually burn their straw and chaff?—Well, during the time I lived there the farmers did not stack the straw chaff. It was usually shot out of the elevator and allowed to rot or was burned. It was not considered to be of any value, as there was no market for it.

4. Is there a market for it now?—I believe there is a market in certain seasons, when other chaff is very scarce. I have known them cut up the old straw when it has been in a sufficiently good condition to turn into chaff.

5. Did the burning take place in other districts beside Sandon?—I could not say. I know that around Halcombe they used to burn the straw.

6. *The Chairman.*] What part of the Kiwitea County do you live in?—Waituna West.

7. *Mr. Innes.*] You are here to represent your county?—Yes.

8. *The Chairman.*] How far up from Feilding would the good land go?—There is good land through Feilding right up to the Kaiwaitau Block, nearly opposite Mangaweka. That is nearly thirty miles.

9. *Mr. Innes.*] The whole of your county is unserved by any railway?—Yes, there are none. The nearest point to the railway at this end is about eight miles—that is, at Cheltenham.

10. *The Chairman.*] There is a road to Mangaweka?—Yes, leading from the Kiwitea County.

11. *Mr. Innes.*] You desire to put before the Commission, on behalf of your county, your views as to this proposed railway-line from Levin to Marton?—Yes. The chief reason that we object to the deviation being made is that the district which I represent is already a long way from any railway, and it is a fairly closely populated district. The land has all been cleared of bush, and is settled right throughout. All the traffic and produce of that district has to be carted in some instances for a distance of over thirty miles. We regard Feilding as our chief centre. The population migrate towards Feilding, and all the produce practically from that large area is brought into the Feilding Station. We hold that if the deviation is made it will

be carrying the chief route of the railway farther away from us instead of bringing it nearer, which is our desire, and which we think we have a claim for. We object to the deviation being made on those grounds. We do not consider that the deviation of the railway through the proposed route from Levin to Greatford would be a payable proposition, as a good deal of the country through which it would pass is of poor quality. A good deal of the land in that locality is of a sandy nature, which does not permit of intense farming, and could not be subdivided to be profitably farmed on the scale which a small man would have to do in order to make it profitable. We contend, therefore, that the proposition would not be a payable one from the standpoint of the Railway Department, and we also claim that that district is already well served with railway communication, there being none of it which is any great distance from the railway. The chief districts which are closely settled there are Rongotea and the Sandon district, and we know that the Rongotea people, who do a lot of dairying, send their products to Longburn, which provides an easy access. The Sandon district also is cut up into small farms, and the areas have remained about the same during a period of over forty years. There has been no aggregation. The farms there are not large, and I submit there is no land within easy distance of the proposed railway which could profitably be subdivided unless you go into the sandy country, which we all know has to be left severely alone if you want it to grow grass. We contend, therefore, that if a railway is to be constructed anywhere we have a better claim for a railway than those people up in that country.

12. *The Chairman.*] You would prefer a branch from Mangaweka to Feilding?—Your Honour will remember that when the traffic-road was surveyed there were alternative routes surveyed, and one was from Feilding through Kimbolton and Rangiwahia. We contend that if a route to shorten the distance is to be found, we can show one which will shorten the distance to a greater extent and open up new country.

13. *Mr. Innes.*] You told us that Feilding is the market town for your district?—Yes.

14. And most of the produce goes to Feilding?—The bulk of it. Some goes to Mangaweka.

15. Does your wool go to Feilding?—Yes, all the wool from my district.

16. How is it carried—by motor-lorry or wagon?—By wagons of five-horse teams. It costs various prices up to 10s. 6d. per bale. At my place it costs 5s. per bale, which is a distance of sixteen miles.

17. And your goods from Feilding are carried in the same way?—They are carted out by wagon. I do not know what the cost is to Kimbolton, but up to my place, a distance of sixteen miles, we pay £1 2s. 6d. per ton.

18. Is that by the regular carrier?—Yes.

19. I suppose they do not always get return goods?—No, not always.

20. Has your Council considered the proposed continuation of the tram-line to Greatford or Marton?—No. As a matter of fact, when the resolution was passed we had no knowledge of the county tramway question coming into the matter at all, so we have not considered that.

21. *The Chairman.*] What does the land about twenty miles away from Feilding sell for?—It is selling in my district, which is sixteen miles away, up to £40 per acre.

22. And what beyond—say, thirty miles?—The land which is considered not sufficiently good for cultivation—that is, the hilly country—is selling up to £18 per acre.

23. *Mr. Innes.*] What produce goes from your district besides wool and stock—does butter?—No. The Cheltenham Dairy Company are the only people who are within the radius to manufacture butter. We had a factory years ago, but it was found that the carriage and cost of getting in the supplies were so great that they had to give up.

24. Do you crop at all?—In a limited way—potatoes and oats. The cost of carriage kills the growing of it for export. We do not go in for oats and chaff except for our own use.

25. *Mr. Skerrett.*] I understand that your objection and the objection of your county is to the construction of a line from Marton to Levin to form part of the Main Trunk line?—Yes.

26. You have told us that the Kiwitea County is substantially a meat and wool producing district?—Yes, at the present moment.

27. Apparently you have to pay for the cartage of your wool over a distance of sixteen miles about £1 5s. per ton?—It is about 5s. per bale. The average bale is 400 lb., and there would be five bales to the ton.

28. So that the cartage is a considerable disadvantage to the district?—Yes.

29. Is it a level road?—Not exactly level, but the grades are good.

30. Well, that is a very high price for cartage?—I might state that two or three years ago there were two or three carriers, but they have all abandoned the business with the exception of one, and he has a monopoly of the cartage.

31. *Mr. Williams.*] Is the cost higher than it was?—Yes, since the war broke out.

32. *Mr. Skerrett.*] I believe your district hopes some day to get a railway running through it?—Yes.

33. And you desire to put a spoke in the wheel of the other districts until you get yours?—We desire to try and induce the Department to consider our request, and if they did they would find we have a prior claim.

JOHN MOORE JOHNSTON sworn and examined. (No. 39.)

1. *Mr. Innes.*] You live at Palmerston North?—Yes.

2. What is your occupation?—Estate agent, valuer, &c. I am president of the Manawatu Agricultural and Pastoral Association.

3. You were at one time manager of the New Zealand Loan and Mercantile Company?—I was.

4. And also manager of the Bank of New Zealand at Marton for a number of years?—Yes.

5. And, I think, a director of the Bank of New Zealand for some years?—Yes.

6. I think you know the Rangitikei and Manawatu Counties very well?—Yes, I do.

7. Do you know Dalrymple's, McKelvie's, Wilson Bros.', and Donald Fraser's properties?—Yes.

8. Those properties which have been referred to by the witnesses as suitable for subdivision?—Yes, I know all the properties.

9. It is suggested that those properties are suitable for subdivision, and that if a railway were constructed from Levin to Marton that they probably would be subdivided?—Well, it depends on which properties you refer to.

10. Take L. R. McKelvie's, which is close to the mouth of the Rangitikei River [map referred to and properties indicated]?—It is suitable for cutting up, but has no connection with the tram-line unless there is a bridge across. J. McKelvie has 12,000 acres. Some of it is a grazing-right from the Crown. Dalrymple and Wilson own 12,000 acres south of the Rangitikei River and south of J. McKelvie's. Wilson is a son of Sir J. G. Wilson.

11. Are those lands at the present time suitable for subdivision?—McKelvie's runs are not: they would be in large areas, but most of it is composed of sandhills and swamps. Of course, he has some good land there.

12. Would the construction of a railway or extension of the tramway affect the question of the subdivision of those properties?—No, they are roaded now. Take the Koponui Block, in the estate of the late Walter Johnston, that is better land, and was subdivided, and is between Rongotea and Palmerston North.*

13. What is the nearest point of the railway?—Bonny Glen. The roads run across from the main Bull's–Turakina Road to the main road from Marton, and these branch roads go on to the railway-line. The tendency has always been to go to Marton from Heaton Park.

14. Is Bonny Glen as close to Marton as Wilson's?—It is closer. It is about four miles to Bonny Glen.

15. You are a member of the Chamber of Commerce, and have taken a great interest in matters of that character?—Yes.

16. In your opinion would the proposed construction of the railway from Levin to Marton affect the Wairarapa or Hawke's Bay districts?—Materially. It would cut off the connection from the Wairarapa and Hawke's Bay very materially. It would affect the whole thing.

17. You mean in the matter of inconvenience?—Yes, inconvenience, and it would not pay. The tram-line now is a dead asset to the Manawatu County Council. As you are aware, there are more people joining the train for Hawke's Bay here (Palmerston North) than would ever come from other localities on the proposed line.

18. In your opinion, what are the objections to the construction of this line?—Well, in the first place, it is absolutely unnecessary. There are lines in the Dominion that require construction long before a superfluous line like this is constructed. The time may come when it will be necessary, but it is not necessary now, and will not open up settlement. It could only be treated as a non-payable branch line. I do not say that when urgent fast traffic is necessary between Auckland and Wellington in thirty or forty years that it may not become necessary, but for very many years to come it will be quite unnecessary. The cost of construction over the swampy portion, the bridge over the Manawatu, the bridge over the Rangitikei, and provision against flooding at Foxton would amount to an enormous cost.

19. Is there any portion south of Foxton that suffers from floods from the Manawatu River along the proposed route?—It floods all along the bank right down to where the Awakino Bridge crosses the road—about a mile this side of the bridge towards Levin.

20. Does it flood seriously?—Yes, it blocks the road. There is no necessity for the railway, because the roads are level, in good order, and in the right direction. With the tramway there is no settler in that district who can be affected by it who is more than six miles from the railway. None of the settlers in the Kairanga would go up beyond Rongotea—they would make for Palmerston; and there are good motor-roads.

21. When you were managing the Loan and Mercantile business here you were purchasing grain and produce from the Sandon district?—Yes.

22. How did it come in?—It came in by tram or was carted. The majority of the farmers cart their grain themselves. It does not cost them anything in this way, because they have their own teams. The agricultural farmer has a certain number of teams: he has to keep them fed, and in the off season he does the carting of his grain wherever he has to cart it to, as there is nothing else to do with his horses. It practically costs him nothing. He takes it to the nearest railway and puts it on the trucks. A great deal of grain used to be carted from Sandon to here, but Feilding now draws on the Sandon district a good deal because it is closer.

23. Have you had any experience in regard to the Sandon farmers or farmers in other districts burning their straw?—They burn wheat straw, but that is done all over the country, and they do not burn oaten straw unless old and wet and useless. They feed the cattle on the oaten straw and burn the wet straw, but at Awapuni Camp they were able to get £4 per ton for any straw when war broke out. It all depends on the price and the demand whether they will burn wheat straw.

24. There is a limited and very uncertain market?—Yes. If chaff is very high in price they chaff the oaten straw. If chaff is low they feed the stock on it.

---

* Witness subsequently wrote: "Referring to Wilson Bros.' property, part of the old Heaton Park Estate, these Wilsons are in no way connected with the Wilson of Wilson and Dalrymple. The land is situated about six miles from Bull's and about four miles from the Bonny Glen Railway-station.

25. Are Sandon and Rangitikei well served by roads?—The best roads on the coast, except New Plymouth district.

26. Do you see any great difficulty in the farmers at Sandon being eight miles from the railway?—No; they are not nearly so badly off as the farmers at Rangiwahia, Waituna West, Cheltenham, and Pohangina.

27. Do you know anything about stock going by road?—It all depends on where the stock comes from and what stock it is. The bulk of the store stock is driven at certain seasons of the year, and at other seasons it is railed. It depends on what locality it is going into. For instance, a man taking stock up to Taihape from Feilding, if the weather was bad, would rather rail it because of the hilly country and the steep and narrow roads. In winter-time he would rail it and in summer he would drive it. There is very little store stock taken by train except in winter-time. It depends on whether it pays. Stock from Woodville and Dannevirke would never be railed unless it was stud stock. The Gear Company have been driving fat cattle for years to Wellington, and when the Manawatu Company had the railway they got the settlers to drive the sheep to Longburn for trucking to Wellington.

28. Is there anything, in your opinion, in the suggestion that cattle being driven are more likely to be knocked about than if railed?—No, it is ridiculous. They are more knocked about in the train. Cattle do better on the road.

29. I would like you to give the Commission your views on the proposed extension of the tramway from Pukenui to Marton or Greatford?—It would be a nice little toy for a few of the settlers there to deal with. It can never pay. If the County Council likes to spend the money I do not see why they should not be allowed to extend it from Sandon to Marton in a direct line, but there is absolutely no necessity for it. There are tip-top roads, and if they had it it would be like the present tramway—it would not pay. The present tram has not paid for years. If it were not for the railing of metal for their own roads it would be a big loss. It is very useful for taking metal to parts of the country where none can be got.

30. Is there anything further you wish to say?—If there was a demand for land the population would have increased, but the population of the Manawatu County has not increased materially along the tram, and there is no special settlement along there except in the Oroua Downs. Nothing has been cut up except a small farm belonging to Mr. James Bull. The land in the Johnstone Estate was cut up and 1,200 acres was sold to Thompson Bros. at about £30 per acre, and a short time ago it was sold again for £55 per acre. The land that could be cut up is Sir J. G. Wilson's. He has 4,000 or 5,000 acres not far from the present tram, and the balance is the Johnstone Estate of about 5,000 acres, which is not near the line. The land marked red on the plan is all rich swamp land. [Map referred to and land indicated.] The land marked green is heavy clay suitable mostly for cropping, and the land marked red is rich swamp land and some of the best land in the Dominion. The chocolate-coloured land is sand. The land marked blue is good dairy land, but not rich swamp like that marked red. I should say that on the sea side of the proposed line there are 53,000 acres of poor land between the sea and the tram-line and the proposed extension to Levin—that is, Warikeno Estate.

31. *Mr. Skerrett.*] I suppose the Chairman and Councillors of the Manawatu County Council in the past and the present are business men—it may be assumed that they are?—No. The Chairman for years and years has been Sir James Wilson, but I do not consider the members of the Council are all business men.

32. But competent farmers and competent settlers?—Yes, good farmers.

33. And able to manage their own affairs?—Yes.

34. Without any assistance from Mr. Johnstone or the Chamber of Commerce of Palmerston North?—Yes, quite so.

35. Do you know that those business men have maintained this tramway for the past thirty years?—Yes, I am quite aware of it.

36. And have regarded it as an asset to the county?—Yes, a very bad one.

37. And yet in your judgment they are entirely mistaken?—No; it is quite good enough for what it is used for at the present time.

38. So it is not a mere toy, as you suggested?—I did not suggest that. What I said was that the piece from Bull's to Marton would be a toy.

39. Very well, I put it to you again: these men are entrusted with the management of county affairs?—Yes.

40. If they are prepared to spend a substantial sum of money in the extension from Bull's to Marton, it may be assumed that they would proceed upon safe ground?—It is quite right that they should do it if the County Council are going to undertake it and the ratepayers would be responsible for the country to be rated, and do not approach the Government for a subsidy.

41. It is not proposed to approach the Government for any contribution towards the cost of the construction, so therefore you are content to leave the expediency of its construction to those who are responsible for it?—Yes, I do not object to that if they like to undertake the liability.

42. You are a busy man and know the value of time?—Yes.

43. You know also that there is the limitation to speed upon the Government railways on account of the gauge at which they are constructed?—Yes.

44. I understand you to intimate that at some future date it probably will be advisable to construct a permanent deviation from Marton to Levin, or somewhere in that direction?—It might be considered advisable.

45. That future date is, of course, in the womb of time?—Yes.

46. And neither you nor I can express an opinion upon that?—The same thing happened between Settle and Carlile in England, and it cut off the London North-western Railway via Penrith.

47. Something of that kind will probably be required in this case?—Yes.

48. And we must leave that to experts?—Yes.

49. You have suggested that the farmers could do their own cartage with their own teams?—Yes.

50. Well, we have had a number of farmers who have been called who said that they have found it does not pay to use their own teams for cartage of their produce, for the reason that just about the time they want to do the cartage they can better employ their teams in ploughing and preparing the land for the autumn sowing: what do you say to that?—I know many farmers that simply keep their grain till they have finished ploughing, and then do the carting. The Sandon farmers to-day and ten years ago are totally different.

51. Are you speaking of ten years ago?—Yes, and twenty years ago. They will all have motor-lorries within a short time. They have all got motor-cars now.

52. I want to point out to you a matter which you may perhaps have overlooked—namely, that now in the Sandon district those farms are being constantly cultivated?—Yes.

53. They have to prepare the winter feed as well as growing their grain and other products?—Yes.

54. And I presume you would not deny the evidence of the farmers who say that they can now more profitably employ their teams than in carting?—I do not deny that, but the position is this: that during the last few years and during the war more grain has been grown. It has been borne out by facts in this way: that the Sandon farmers get as much for their grain as they do at Marton.

55. We know that there is a strip of land more or less varying in width of sandy country adjacent to the sea-coast in the Rangitikei and Manawatu County?—Yes.

56. That strip is broader in the Manawatu County than in the Rangitikei County?—There is a large area in the Rangitikei County.

57. There is an area of land beyond the sandhills which consists of sandy grass-covered dunes intersected by flat valleys between ridges?—Little sandy swamps.

58. I refer to the country outside the sandy country?—Yes.

59. And there is a considerable area which consists of well-grassed sand ridges intersected by flats?—Yes; that is the Oroua Downs. If you are dealing with Dalrymple's homestead block, which is north of the river, yes.

60. I am dealing with a considerable area of land of which Sir James Wilson spoke?—Yes; what you say about that is quite right.

61. Sir James Wilson says that the flats which divide the ridges are capable of growing most excellent root and rape crops?—Yes.

62. And that a good deal of that country, as it possesses good water, is capable of dairy-farming?—Yes.

63. Do you agree with that?—Yes, under certain conditions.

64. And water is easily obtainable?—Yes; but that does not affect the railway, because it is impossible for that land to be of any interest to the tramway.

65. Because you say the roads run towards Marton. Is there not a good road running from Wilson Bros.' homestead into Bull's?—Wilson Bros. would never go to Bull's with grain—they would go to Bonny Glen.

66. Is there not a good road running from Bull's to the Wilson Estate?—Yes, and a big hill.

67. The Oroua Downs land has turned out better than was anticipated, has it not?—Yes, thanks to basic slag.

68. Is it not a fact that the farmers in this district are becoming more and more accustomed to the use of manures?—They have to make a living the same as at Waikato.

69. But farming is a progressive science—It does not remain stationary?—No.

70. And is it not a fact that the farmers in the Sandon district are becoming more accustomed to the use of manures?—Yes; they have always used manures, but not at Oroua Downs. The land at Oroua Downs has to be well farmed to grow grain.

71. Do you know that some farmers in the Sandon district told us they were compelled to burn their oaten chaff?—They are well off—they do not care; but no good farmer will burn good oaten straw.

72. I wonder how you know all these things?—It might be Mr. Perritt. He had some oat stacks that had been wet. They were there for five years to my knowledge, and he burnt them the other day because it was wet and old; he would not burn them otherwise. They feed their stock with it. No man with any sense would burn it.

73. Not unless he could not find a market for it?—He would feed his stock with it.

74. You discredit entirely the evidence?—No good farmer will burn his oaten straw unless it is so old and wet that it is no good keeping it.

EDMUND GOODBEHERE sworn and examined. (No. 40.)

1. *Mr. Innes.*] What are you?—A land agent and valuer residing at Feilding and carrying on business there, now and for the last thirty-five years.

2. You know the Manawatu County and the Kairanga County very well?—I know the whole district—the Manawatu, Oroua, and Kiwitea—fairly intimately, because I have done a good deal of valuing there.

3. You know the present tram-line from Himatangi to Sanson?—Yes.

4. You are here to represent the Feilding Chamber of Commerce?—Yes.

5. And I think you propose to direct your attention to the suggested construction of the railway?—Yes.

6. You are not concerned with the extension of the tramway?—No. I have personally no objection to the extension of the tramway—that is a matter between the settlers and the authorities; but we do strongly object to the proposed diversion of the through traffic, because it would cut our district off entirely, and it would be a serious detriment not only to the Town of Feilding but to the whole of the settled district which lies at the back of it. There is one way particularly in which it will affect our town very seriously, and that is in reference to the stock-sales. The Feilding stock-sales are well noted all over New Zealand as being the best stock centre and the best stock market for the North Island. A great many buyers come down by the very excellent railway service, and the Main Trunk line suits our sales very well. Buyers can come down from Auckland and reach our town at 11 o'clock, do their business in the way of buying stock, and go back at 4 o'clock. Those buyers would not be able to attend the stock-sales if the through traffic were diverted without wasting two or three days.

7. You think that from the Borough of Feilding's point of view it would do some harm?—It would be ruination. It would mean removing the premises from the main street to a back street. We enjoy the facilities of the Main Trunk service, and it suits us remarkably well.

8. Leaving Feilding out of the matter altogether, in your opinion as a business man, do you consider the proposed deviation a necessary one in the public interest?—I consider it a very unnecessary thing in the public interest. We have at the back of our district a very closely settled and largely populated district. I refer to Kiwitea and the upper portions of the Pohangina County and the Oroua County. The bulk of it is connected with Feilding, and is a feeder to the Main Trunk line to a very considerable extent.

9. We may take it that the bulk of the Oroua, Pohangina, and Kiwitea Counties are unserved by railways?—Yes. I might say that the district at the back of Feilding is closely settled, and has been for upwards of fifty miles back into the country. It is excellently roaded. I have been connected with this district ever since I have been in this country. The Kiwitea Road Board, which included within its boundaries the present Pohangina County, was formed about 1882 or 1883; at that time it formed one riding of the Manawatu County, and about nine-tenths of its area was covered with standing bush. A few years later the Road Board was merged into the county, and the two new counties were formed—viz., Kiwitea and Pohangina. Since then that district has gone ahead rapidly. The bulk of the standing bush has been felled, and the land is well settled. In this district there were five special-settlement associations formed, which proved very successful—viz., Foxton, Feilding, Palmerston, Pemberton, and Marton. They are very closely settled on areas of 100- or 200-acre sections. The people have done well there. In Apiti a considerable amount of dairying is going on. They have to cart their pigs twenty-eight and thirty miles to a trucking-station, and of course all the other produce they require has to be carted back. It is the opinion held largely throughout our district that if any public money is to be expended that that is the district that really deserves consideration at the hands of the Government and the Railway Department.

10. You know some large blocks of land that have been referred to across the Rangitikei River on both sides—Dalrymple's, Wilson Bros.', Donald Fraser's, and McKelvie's?—Yes; I have been over a good deal of that country.

11. In your opinion as a land-valuer, do you think that the construction of the railway-line from Levin to Marton is likely to accelerate the subdivision of those places?—Not as long as they have the present owners. They have had the land for many years, and would not sell under any circumstances. The railway may ultimately affect it, but not in the time of the present holders.

Mr. Skerrett: No questions.

Mr. Innes: That concludes the evidence on behalf of the objectors I represent.

Mr. Skerrett put in balance-sheets of the Manawatu County Council from 1911 to 1915; also copy of capital account of the Manawatu County Council; also summary of estates near Foxton.

WELLINGTON, TUESDAY, 30TH MAY, 1916.

GERALD FITZGERALD sworn and examined. (No. 41.)

1. *Mr. Myers.*] You are a civil engineer living in Wellington?—Yes.

2. I think you have had a good deal of experience with the Manawatu River, have you not?—Yes.

3. And recently were you a member of a Commission which had to consider matters affecting the Manawatu River?—Yes.

4. What was that Commission, and when did it sit?—It was more than a year ago. It sat at Palmerston in connection with a petition which had been sent to the Government asking the Government to take statutory steps to abolish the Palmerston North and Kairanga River Board.

5. You heard a lot of evidence taken and made your own investigations as well?—Yes.

6. Had you had previous experience of the river?—Yes, I have known it since 1876.

7. In the first place, can you say whether the conditions of the river have materially differed from the time when you first knew it up till now?—No, not as to the general condition.

8. Take, first of all, the channel at the bar: is that a varying channel?—Yes.

9. Can you say whether from time to time it shifts any substantial distance?—I have had information from time to time that it does move about considerably. I should expect it to do so from the nature of the formation and from the nature of the winds that prevail on the coast.

10. Can you give the Commission any idea as to whether the conditions in regard to the river could be improved by a moderate expenditure?—There are two sets of conditions to be dealt with: there are some flats and banks inside the channel in the calm water which are naturally subject to interruption by flood, and there is the question of the bar, which is a separate question altogether.

11. In your opinion, would it be of any use to attempt to improve the conditions in the river unless you also worked at the bar?—As an economic problem I should say it would be useless.

12. *The Chairman.*] But could you get rid of the flats by dredging inside?—Yes, quite easily.

13. Then if the bar does not trouble shipping in getting in and the flats do, that would mean an improvement in navigation?—Yes, but the bar is the limiting factor. It limits the trade.

14. *Mr. Williams.*] The bar is a limiting point now?—Yes, because if you bought a steamer for the trade you would have to buy it with the limitations of the bar in view.

15. *Mr. Myers.*] Would it then be of any use, in your opinion, to attempt dredging in the river without also doing work—the nature of which I shall refer to—at the bar?—You can get any depth of water you like anywhere providing you like to spend the money to obtain it.

16. Can you say whether it would be of any advantage to attempt dredging at the bar without previously constructing training-walls?—No, it would be very inexpedient to make the attempt. If you were to attempt dredging at the bar the channel would be so frequently filled up that you would have to do the work over and over again, and then you could not depend upon its being available at the time you wanted it.

17. Would training-walls at the bar be a matter of great expense?—Yes.

18. When you say a "great expense," of course you cannot give anything like an accurate idea. Is it a matter of a few thousand pounds, or thousands of pounds?—It is a matter of a great many thousands of pounds.

19. Can you say whether it is of any value to dredge what they call the sand-shoals at the bends of the river, and what will happen if they do dredge them?—They will have to go on dredging them.

20. *The Chairman.*] What would happen if they did not dredge them?—They would fill up.

21. Supposing you do not dredge them but leave them as they are, what is going to happen to the river—will the shallow places get shallower?—I cannot say that, because I cannot say when the process is going to stop. I do not know whether they will come to rest at a certain distance. They usually do so.

22. *Mr. Williams.*] Is the river more shallow than it used to be?—I do not know of my own knowledge.

23. *The Chairman.*] Supposing they are a foot or two more shallow than they used to be?—It may be that they have come to rest at that depth and will not get any shallower, because you have the velocity of the river to deal with.

24. *Mr. Williams.*] If the Harbourmaster in giving evidence says that in taking soundings he found that the river was shallowing, would you believe that?—Evidence of that kind is quite useless. Soundings must be properly connected with shore standards.

25. *Mr. Myers.*] Supposing on the bar you started cutting a channel, would you expect that channel to be any more permanent than any channel which has existed in the past?—No.

26. Why not?—Because there are the same influences at work to fill it up.

27. The evidence is that the present net revenue from the wharfages is about £1,600 or £1,700 a year. Can you express any opinion to the Commission as to whether any serviceable work in the river could be done with that expenditure?—I do not see how you are going to make a start if that is all the money you have got. You could not buy the plant.

28. Supposing you had a dredge?—Supposing you had the plant given to you you would have to keep it in repair and attend to the dredge. You would have very little for work.

29. Can you say whether a dredge with a wooden hull would be of any use?—A pontoon dredge or seagoing dredge?

Mr. Williams: It is supposed to be a dredge which propels itself and drags—a small drag-suction dredge carrying about 80 yards in its hopper.

30. *Mr. Myers.*] And the proposal is that the dredge should work on the bar as well as in the river?—If it is not a proper seagoing dredge it would sink, of course. You would want a vessel of some considerable size in order to be safe to work on the bar.

31. Could such a dredge be purchased for £8,500?—I should think not, from the figures I have recently seen. I should have thought it would have cost a great deal more than that. I am not prepared to say what you could do with a wooden hull, but I should think it would be a makeshift affair. I have never seen one of that description at work. The only ones I have seen of that kind at work are pontoon dredges, and you could not take one of those on to the bar.

32. Supposing you have two or three sandbanks or sand-shoals in the river at the bends, do those banks, apart from the dredging, vary as a result of floods in the river?—They generally do so.

33. *Mr. Weston.*] Have you specialized in river work, dredging work, or harbour-improvement work?—No, I cannot say I have specialized in any class of work.

34. And you say you have an intimate knowledge of the Manawatu River since 1876?—No, not an intimate knowledge. I first knew it in 1876.

35. Do you consider you have an intimate knowledge of the river?—No, I should hesitate to say my knowledge was intimate.

36. What have you done in connection with the river, and how many times have you been on it?—I have seen the whole of it from Woodville down to the sea.

37. When?—I saw it first in 1876, and I saw it last a little more than a year ago.

38. And between 1876 and a year ago how often have you seen it except from the railway-train?—I have had to report a number of times upon drainage and flood questions in connection with the river.

39. That would be above Foxton?—Yes; but in addition to that I had to go carefully over the work on a previous Commission which sat to consider the possibility of making a fresh channel for the river—straightening and conserving it. I had to go carefully over the work of that Commission, and one of the members of that Commission was one of my colleagues, so we had to go very carefully to be in a position to know what was done.

40. That was purely in connection with drainage questions—drainage of swamps?—No, in connection with floods—to allow the floods to go into the sea.

41. You were not looking at it for the purpose of navigation?—I did at that time look at it for that purpose, because I went down the harbour and spent some little time there in order to grasp the position.

42. Can you say how far up the ships used to go on the Manawatu River in the old days before the denudation of the forest?—I do not know exactly, but I suppose they used to go a long way up.

43. What is the condition above Foxton now?—I doubt if you could get effective navigation much beyond Foxton now. I should say it was too shallow at several places above Foxton for navigation.

44. Would you be surprised to know that above Foxton it is sometimes difficult now to work punts with flax in and motor-launches?—No, there are extremely awkward bends, and that is likely to be the case.

45. So that there has been a great deal of deterioration in the river above Foxton since you knew it?—I have no doubt there has been a silting-up of the channel of the river generally.

46. Have you gone down the river below Foxton to the Heads taking soundings?—No.

47. Do you know the extent and situation of the sandbanks from Foxton to the Heads?—Two were pointed out to me.

48. Do you know their extent?—It was said they were flats of considerable extent.

49. Were they flats that would impede navigation?—Yes, I was told so.

50. Who told you so?—Somebody in connection with the harbour.

51. Was it the Harbourmaster?—No, I do not know who it was.

52. Did you make a special trip up the river before you came to give evidence here, or did you just come here after being hauled up in the street?—I cannot tell you why I was called.

53. Did you ever make any special preparation for the giving of evidence here?—None whatever.

54. I suppose you have never been over the bar in your life?—No; as a matter of fact I have not.

55. *Mr. Myers.*] I suppose you were asked what you knew about the Manawatu River?—I was asked if I knew the river, and I said that people who lived there supposed I knew it, and I dare say that is better than saying I know it myself.

56. And the fact that you knew the river and had sat on this previous Commission were known to the Government officers?—Known to everybody. Whenever a difficulty arises they generally ask me to go up and see about it.

EDWARD JOHN HARVEY sworn and examined. (No. 42.)

1. *Mr. Weston.*] You are captain of the "Queen of the South"?—Yes.

2. How long have you been trading to Foxton?—Since 1871, off and on.

3. How long have you been captain of the "Queen of the South"?—Since 1889. I was two or three years in the "Himitangi."

4. And during the whole of that time you have been continuously trading to Foxton?—Yes.

5. What was the condition of the river when you first knew it—how far up could you get?—At the time they were building the Manawatu Bridge we used to go right up to Shannon in a boat called the "Hauraki" with railway-iron.

6. Would that be at spring tides?—Yes, spring tides.

7. Could you get up there now?—I do not know, but I know that launches drawing 3 ft. cannot get up there.

8. *The Chairman.*] Were you ever up where the Railway Bridge is now?—Not the Railway Bridge, no.

9. Do you know whether there is more shingle in the Manawatu River now than there was in the early days?—Yes. When they were building the Manawatu Bridge they had a wharf at Shannon. I was up there at the time of the big eruption.

10. *Mr. Weston.*] How many miles would that be above the Foxton Wharf?—Sixteen miles above, by the river.

11. How does the condition of the channel between the Foxton Wharf and the bar compare with what it was when you first knew it?—We never used to have any trouble in the river—it was always on the bar. The bar is just about the same, off and on—sometimes good and sometimes bad. It is always changeable. In spring tides it was invariably better than it is now, but during the last twelve months it has been very bad.

12. With regard to the channel, is that going back?—Yes, in places.

13. How many shoals are there?—Three very bad ones and one or two medium. We never stick now. If we get over the fishermen's bad place we can get up the whole river.

14. Are those long shoals?—No; I suppose the whole lot would not be more than half or three-quarters of a mile.

15. But for those shoals there is no difficulty in getting up from the Heads?—That is so.

16. What draught of water is there?—8 ft. at neap tide, and there is 7 ft. rise and fall at springs.

17. With regard to the tonnage carried, what does the "Awahou" draw with a full load right down to the Plimsoll?—10 ft. 6 in.

18. What does the "Queen of the South" draw with a full load?—8 ft.: that is, down to the Plimsoll.

19. *Mr. Williams.*] How much would be in her then?—170 tons dead-weight and about 220 measurement.

20. *Mr. Weston.*] What depth of water do you get on each side of the river at the banks?—There is plenty to float the ship at low water.

21. Could you float the "Awahou" at low water?—Yes, at most places.

22. What has been the result within the last two or three years with regard to coal-boats coming into the port?—We very seldom get any coal now. The Nelson boats will not come when they are loaded up.

23. Do they come in fully loaded?—No. The "Kennedy" came in with 145 tons of cement. Her full load is 195 tons.

24. What used they to be able to do in the way of bringing in coal in the old days, seven or eight years ago?—When I had the "Himitangi" we used to go through drawing 9 ft. 3 in.

25. Fully loaded?—No.

26. How long ago is that?—About twelve years ago.

27. Could you do that now?—No. You could not get in drawing 9 ft. now.

28. *Mr. Myers.*] Could you get over the bar?—No, you could not get over the bar.

29. *Mr. Weston.*] What is it like compared with the Wanganui bar as regards sea and weather?—It is about the same class of sea. It is open to all northerly and north-westerly winds. Westerlies come right into both of them. Foxton is better than Wanganui when it is southerly.

30. *Mr. Myers.*] What depth do you get now on the bar?—On the neap tide we have been stuck there drawing 6 ft.: that is at the bar. We could not get down the river either.

31. I am speaking of the bar only and on spring tides?—9 ft.

32. So that it is no use your trying to get over the bar at neap tides?—Yes, if we could get over the bar with 6 ft. we could get up the river. There is the same water on the bar as on the river. You cannot work it on account of the sea.

33. I am not considering the question of the sea, but dealing with the depth of water at the bar, and you get 6 ft. at neap tides and 9 ft. at spring tides?—Yes. At the last neap tide we had 7 ft. It varies.

34. But if you could get over the bar you would get up the river?—Yes.

35. I suppose you have not kept the soundings of the different places in the river from time to time?—No.

36. The bar is a shifting bar?—Yes, very shifty.

37. Is it not a fact that it shifts to quite a considerable extent?—Not lately. I used to run there twenty-five years ago, and it was two miles farther north then than what it is now, but since it has been out where it is it only shifts a few hundred yards at the most.

38. *The Chairman.*] The Wanganui bar is more sheltered from northerlies than this bar?—Yes.

39. *Mr. Myers.*] What about the depth of water at the wharf, has that gone back too? No. We lie over at the wharf, but below that, from the Government wharf to Levin's wharf, it is shallower.

40. At the Railway Wharf you say the depth has not decreased?—No, it has not: it is just about the same. We lie afloat at low water.

41. You do not bother to take soundings there as long as you keep afloat?—No.

42. So that you cannot tell whether it has decreased or increased?—No, it is about the same, because at one time we laid aground and we found that a snag had come down and we had been lying on the snag. Otherwise there has been no movement at the wharf. At one time it shoaled up altogether, and the Government had to get a dredge there.

43. That is a good many years ago?—Yes.

44. *Mr. Weston.*] Where do you stick more often—on the bar or inside the bar at the shoals?—Inside. We often stick on the bar, but we have no trouble—the sea sends her in.

45. Can you say whether you stick more often going down the river or coming up?—Coming up, because we always have the heaviest load. When we load with flax it is a light load, and we can trim it with anything.

46. You say you stick more often in the channel than on the bar?—Yes.

47. *Mr. Myers.*] That is because the sea puts you off?—Yes, the sea drives the ship in.

WILLIAM EDWIN FULLER sworn and examined. (No. 43.)

1. *Mr. Weston.*] You are shipping manager for Levin and Co.'s coastal steamers?—Yes

2. With regard to the trade in general cargo to Foxton, is that growing?—Yes, it has been growing considerably for the last few years.

3. What is preventing it greater expansion?—Of course, the bar and the river, which we are often stuck up with. At neap tides very often the boats cannot get up at all.

4. And owing to that you cannot get a regular service?—That is so.

5. Where do you find your vessels stick more often—inside the river or on the bar?—Inside the river.

6. You are not speaking first-hand, but you get reports?—Yes, we get reports. We are telephoning every day to Foxton and get reports.

7. Could you do a larger trade if you could be sure of a better harbour and therefore a more regular service?—Yes, we could.

8. Do you know of a cargo after being offered which did not go in consequence?—Very often. We are handed the transhipping-papers for cargo, and the shipment is taken away from us and the cargo forwarded by rail because of the service not being in time.

9. There is one class of goods which I think the trade has grown very largely in—kerosene and benzine?—Yes.

10. Is that growth phenomenal?—The growth has been pretty great during the last four years, and seems to be increasing all the time.

11. How do your charges compare with the railway charges?—They are considerably less than the railway charges.

12. What do you charge on benzine?—The railway charges rate and a half. I could not tell you the exact rate. They are treated as dangerous goods.

13. Those are all going by boat now if possible?—Yes. Kerosene is the ordinary rate, but benzine is rate and a half.

14. But kerosene is going also by the boats?—Yes.

15. Supposing the harbour were improved so as to get a draft of 12 ft. on the bar, would you put on better boats?—In that case we would run the "Awahou" more frequently.

16. At present do you run her to Foxton?—She helps the "Queen of the South" at spring tides. She is too heavy a draught for neap tides.

17. Would you be able to use her with that depth of water to the full capacity?—She can carry a full load of 400 tons drawing 10 ft. 6 in.

18. With regard to the produce trade with the South, would it be possible with a better harbour to do that trade?—Yes. Most of the produce goes via Wanganui now. It is taken by the Canterbury Company's steamers to Wanganui and railed back to Foxton and Palmerston. We would be able to take the cargo direct from the South.

19. What about sugar from Onehunga?—Of course, we could do that too if we could make payable trips. It is rather a long distance. We could bring a payable load down if we had sufficient depth of water on the bar.

20. Do you think the condition of the harbour inside has improved or gone back during the last four or five years?—It has gone back. We notice it by the continual stranding of the boats at bad places. During this year the "Queen of the South" and "Awahou" have been continually stuck up at bad places, which means a delay of a day or two or three days. That is inside the river.

21. *Mr. Myers.*] You have told us what you could do if you had 12 ft. of water on the bar. Has it occurred to you that if you had work done in Foxton which increased the depth of water at the bar that the wharfages would be considerably increased?—I do not know that we would mind. We would be bringing more cargo, and there would be greater revenue.

22. Do you think that with the expenditure necessary to get 12 ft. of water on the bar that your wharfages would be only 2s. per ton?—They may or may not.

23. Do you not know as a fact that there is no Harbour Board which makes so low a charge?—I think with the Railway Wharf——

24. I am not not speaking of that—I said "Harbour Board"?—Of course, the Railways are acting in the place of the Harbour Boards in several places, and their charges are the same.

25. Do you know that in Wanganui it is 3s. per ton, and in Wellington it was 2s. 8d. and is now 3s.?—Yes.

26. Do you know that at the present time the goods that go into Foxton are not charged haulage and handling charges, which the Railway is entitled to charge?—No, I do not know that.

27. Would you be surprised to know that there is a charge of 1s. and 1s. 6d. a ton which the Railway Department is entitled to charge but is not charging?—I know of some cases in which we are charged haulage.

28. Supposing your wharfage charge was increased to, say, 3s. and there was an extra 1s. or 1s. 6d. properly charged by the Railway Department for hauling and handling, that is going to make a big difference to the shipping trade, is it not?—It might kill some lines. Some are very finely cut as against the railway.

29. The trade your company has done with Foxton has very materially increased since the Manawatu line was taken over by the Government, has it not?—It has increased in the last few years.

30. Do you not know that it has increased because of Government assistance—you people and the Government prior to the Government acquiring the Manawatu line joined to compete, did you not?—I was not in charge at that time.

31. But you know it is so, do you not?—I know there was something of the kind.

32. And you know that since the Manawatu line was acquired by the Government that your trade has increased?—Our trade has increased of late years.

33. Supposing the Harbour Board made some kind of port charge, say, 1s. per ton on goods and 1½d. a bale on hemp, wool, and tow, for the purpose of improving the river and leaving

the wharf in the hands of the Railway Department, do you think that would suit?—Of course, what we would like to see done is that the river is cleared for navigation. We do not know whether that revenue would bring in sufficient.

34. But do you not see that the revenue which would be needed would be more than the net revenue which is now earned by the Railway Department?—Yes, that would be so.

35. Then do you not think it would be better to have some such arrangement as that than that the wharf should be taken over by the Harbour Board and that you run the risk of increased wharfages and of further charges quite properly made by the Railway Department?—Of course, if we knew that the amount produced would do what we require—that is, to clear the river—possibly it would be better for us; but speaking from a shipowners' point of view, it does not matter much to us whether the Harbour Board or the Railway Department does the work so long as it is done.

36. You are content that the Harbour Board should do the work and that you should run whatever risk there is of increased wharfages and charges consequent upon the work being done?—If the Railways would guarantee to see that the work was done from that particular revenue we would agree.

37. You recognize, do you not, that in order to get any real improvement up there there must be an improvement at the bar as well as in the river?—Yes.

38. In order to have any improved conditions for your ships considerable expenditure must be incurred at the bar as well as in the channel?—The bar depends on weather conditions. During a westerly with neap tides we get a good deal of water.

39. Do you suggest that work should be done at the bar?—A certain amount of work should be done, but it is more important, I think, that work should be done in the river.

40. *Mr. Weston.*] With regard to increased dues, supposing the harbour were improved, would you be able to work the vessels more economically when trading there?—If we got better shed accommodation and the harbour improved we would, because we are now losing time there.

41. You could work it quicker, carry larger loads, and at a less freight?—Some years ago we used to be able to take a load up and bring a load down in a day, but we cannot do that now.

42. My friend Mr. Myers asked you to trust the Railway Department. What has been your experience of the Railway Department with regard to the goods-shed there?—I made application to Mr. Stringleman, who was District Manager of the New Zealand Railways at Wanganui, and asked him if they could do anything in the matter of enlarging the shed. That is fifteen years ago, and I have got no satisfaction.

43. You have been pressing it ever since?—Mr. Kellow has also written to the Department, I think.

44. Have you seen the working of that shed up there?—I have.

45. What is your opinion of it as regards the loading of ships?—It is absolutely too small altogether. A full load of the "Queen of the South" more than fills the shed.

46. Then you have simply to discharge into trucks, and those trucks have to be put into the shed when it is cleared?—Yes.

47. *Mr. Myers.*] Do you think the wharf would be of very much use to the Harbour Board without the shed accommodation?—It would be no use without shed accommodation, no, certainly not, unless the Railway received the whole of the cargo into trucks.

48. Do you think the Harbour Board should have a shed of its own?—We must have a shed. The railway-shed is not big enough.

49. There is no room for the Harbour Board to erect a shed there?—No.

ROBERT EDWARDS sworn and examined. (No. 44.)

1. *Mr. Myers.*] You are a civil engineer?—Yes.

2. You have also been Mayor of Palmerston North, where you still reside?—Yes.

3. I understand that you are in favour of a harbour at Foxton?—Yes.

4. Under any conditions?—No.

5. What do you mean?—The experience of the people of New Zealand has been that as a rule it is ruinous to have a harbour. I am speaking of other harbours, and not Wellington.

6. *The Chairman.*] You mean it is ruinous not to have a harbour and to make one?—Or to attempt to make one. In some parts the security of the properties has almost disappeared on account of the rates.

7. *Mr. Myers.*] I think you have a very intimate knowledge of the Manawatu River?—Yes.

8. That knowledge extends over what period, roughly?—Nearly forty years, off and on.

9. And I think you have studied it particularly?—Yes.

10. You have, I understand, at times lived for a month on end near the mouth of the river watching its conditions?—Yes, in taking a holiday I have frequently lived there for a month, and necessarily was very much interested in what was going on.

11. First of all, we have been told that the channel is a shifting channel at the bar?—That is true.

12. It shifts considerably?—Yes, judging by what the old pilots have told me, and what I have seen and noticed from Government plans where surveys have been made. I reckon it has shifted about a mile and a quarter and possibly a little more in a southerly direction. It was a mile and a quarter farther north years ago. It is inclined to go north again, from my last observation.

13. We are told that it shifts now for 200 or 300 yards?—Yes. A southerly wind will come up and cut the south spit back a few chains in forty-eight hours or so.

14. Would those conditions be improved by dredging at the bar without having training-walls?—I do not think dredging would be of any use whatever without training-walls.

15. Which, of course, we know would be very expensive?—Yes, very expensive indeed, running into many thousands.

16. Do you know anything about the alteration in the depth of the river inside the bar between the bar and Foxton?—I believe it is rather bad this year. There has been a very dry season.

17. Would that affect the depth of the river?—Yes, in summer the level of the river goes down.

18. What do you say as to the proposal to dredge inside the bar at the shoals?—I do not think it would be any good. I think the Manawatu River carries more stuff suspended—more silt—than any other river in New Zealand, and if the members of the Commission were to see that river after a fortnight's bad flooding they would come to the conclusion that half a dozen dredges would make very little impression on it.

19. Do you think the silt brought down would have a scouring effect also?—Flooding would do a certain amount of scouring. I think there is really only one place you could call a shoal: that is down near the Heads. The rest are the convex banks composed of silt being deposited. These banks grow during a cycle of dry seasons, and that action accounts for the depth of water.

20. Do you consider dredging is necessary to remove those?—You do not know what you are doing by dredging. You may remove an effect and produce a similar cause lower down. That is one thing; and another thing that may happen is that immediately after you have completed the dredging you may get another big flood which will fill it up again. If you had the river under control, say, by means of submerged training-walls it might be possible to do something by dredging, but I cannot see how it is possible to do anything without them.

21. Do you suggest, then, that the condition where those shoals are could be improved naturally under any particular conditions?—No, I do not think so.

22. Will the tendency be for them to get worse?—I do not think so. If you get a cycle of wet seasons the current will cut the points off and you will get the usual depth.

23. That is what I mean by improving it by natural processes?—Yes. I did not understand you.

24. Even if you dredge the channel would you improve the conditions unless work was done lower down at the bar?—I think there are one or two banks that give them trouble inside, owing to the dry weather. One is at Robinson's bend.

25. I ask you whether you think it is of any use to attack the river inside the bar without also attacking the bar?—You might if you put in submerged training-walls. I do not think it is possible to do anything by dredging, because you are only delaying something coming on and not removing the cause. You do not remove the cause when you dredge—you are simply dealing with the effect.

26. We have heard a good deal from some of the witnesses as to the people of Palmerston North being willing to be included in a rating-area?—I am certain they would not agree to it—I am positive. I have noticed it reported in the newspapers, and I was in Court when the Commission was sitting and heard the witnesses making the statement. They are simply a few business men who look at it from their own point of view and without considering the welfare of the district generally.

27. You are sure the people as a whole would not agree?—I am certain.

28. *The Chairman.*] Do you think the people of Palmerston would not mind if the harbour was closed up?—Oh, yes, I think they would.

29. If the harbour cannot continue in its present state it had better be closed up?—My opinion is that as soon as you get a few wet seasons the harbour will be back to what it was before. A few years ago very small boats used to get frequently stuck in the river.

30. *Mr. Myers.*] What do you mean by that—that the river will not close up?—No, the river will go on just about the same as it is. There is no doubt about that. I do not think the Palmerston people would mind a rate if there was a prospect of having something effective done, but they are very dubious about attempting to do anything with that river.

31. Do you think anything could be done with the river by the expenditure of £1,500 or £2,000 a year?—Oh, no. I hold that you would have to take the whole five miles and a half and put it under control by means of groynes and training-walls, either submerged or some other system.

32. *Mr. Weston.*] How did you come to give evidence in this case?—I do not think I can tell you.

33. Who saw you first about giving evidence—were you asked by the Engineers of the Railway Department to go into this matter and give your opinion on it from an engineering point of view?—I was asked by Mr. Myers.

34. And how did you come to meet Mr. Myers?—I met him in the street.

35. What engineering work have you done in the last two years?—I am putting in some protective works in the river at the present time.

36. What works, and for whom?—In connection with the Kairanga River Board.

37. What work are you doing for them?—I am putting in a groyne in the Board district.

38. Are you the engineer for the Board?—No, I am the engineer for this particular work. They have no engineer.

39. What is the total cost of that work?—About £300.

40. And is that the only job you have had to do in engineering within the last two years?—Well, I have practically retired. I surveyed and laid out the first portion of the sewage system of Palmerston North.

41. Have you ever been employed on harbour-works or done any designing in connection with a harbour?—No.

42. Do you know Mr. Howarth, the Engineer for the Wanganui Borough?—No.

43. You would not ask the Commission to take your opinion as against a professional man like Mr. Howarth?—I do not ask any one to take my opinion: I give it.

44. And they can take it for what it is worth?—Yes.

FRANCIS WILLIAM MACLEAN sworn and examined. (No. 45.)

1. *Mr. Myers.*] You are the Chief Engineer of the New Zealand Railways?—Yes.

2. You have not gone into the question of the Foxton Harbour at all?—I do not profess to be a marine engineer at all.

3. You are here to give the Commission some information with regard to the suggested new line of railway, and also in regard to the suggested connection of the tramway with Marton?—Yes.

4. First of all, will you tell the Commission what you can in regard to the question of the cost of this proposed new railway from Levin to Marton. You can take it by sections, if you like?—I have no personal knowledge of the country. So far as I know, there has been no engineering survey made of the country between Levin and Marton, so that one can only form an opinion on general lines from previous experience as to the cost of railways. The total distance, I take it, is something over forty miles. I will take it in sections. There have been no measurements, but the measurements are, roughly, from Levin to Foxton, eleven miles and a half; then from Foxton to Himatangi, five miles and a half; Himatangi to Sanson, fourteen miles; and Sanson to Marton, about eleven or twelve miles. The railway mileage depends upon the distance you have to develop to get your grades. You cannot tell by measuring on a map what the distance would be, and I think you would have to develop a little to get from Bull's to Marton. The whole distance is something like forty-two miles. Speaking roughly, the cost of a railway from our experience—I mean a main line of railway—from Levin to Foxton would, I suppose, be about £10,000 per mile, plus the cost of a bridge, which would be a pretty heavy cost. I should say a bridge over the Manawatu would run into something like £40,000, considering our experience of similar bridges. That section would therefore cost £150,000 or £160,000.

5. Are you taking into consideration that there is some liability of the country flooding?—Yes, and you must make a considerable amount of bridging. For instance, between Levin and the present Manawatu Bridge on the existing railway there are something like twenty bridges, and in a country of that nature you would have to provide perhaps not as many bridges, but certainly as much bridging.

6. Would you mind now taking the section from Foxton to Himatangi?—Well, that is at the present time a railway. It has been relaid with second-hand rails to bring up the strength, but it is a railway which would not be safe for the running of express trains on, and therefore it would have to be rebuilt. We have land there, so that I think we might be able to make it at a pinch at perhaps £3,000 a mile. It is not a main line of railway there. That is a pretty low estimate, because your permanent-way and ballasting cost you £2,500 out of that, so that it does not leave much for incidentals. You have also got to consider the question of the Foxton Station. We would have to spend, at any rate, £20,000 on that, and I should say it would be pretty cheap if you could get out of it at that.

7. Did you tell us anything about the alterations at Levin Station?—Oh, no. At the terminals of Levin and Marton Stations you must make new stations altogether. Now, Levin would not cost a very great deal of money, but probably you would have to spend, to make a workable junction, something like £30,000.

8. That takes us up to Himatangi?—Yes. At Himatangi you have to make a considerable alteration, because the railway from Foxton goes up in that direction, and the Sanson train comes back again. You have to make a complete new station at Himatangi. That might cost £5,000 or £10,000. Then, from Himatangi to Sanson you have a railway. At the present time it is a very indifferent tramway.

9. Are you speaking from a personal knowledge or from reports?—Partly from personal knowledge and partly from reports. I have not been over the whole of the Sanson Tramway, and it is some time since I was over part of it, but I have a pretty good knowledge of the conditions. You have there old 40 lb. rails and very old 28 lb. rails. The tramway is just laid along a public road. Now, by no stretch of imagination could you make a main-express route over a road of that kind: you must make a railway away from the road altogether unless you are looking for trouble every minute of the day, so that I would put down for that fourteen miles (including stations, which you must provide) at a low estimate, £7,000 per mile: call it £100,000 for that section. When that railway was originally laid the country was not very closely settled, and not under modern conditions. With a main line of railway you must provide bridges for your roads in a good many cases, and that is a considerable cost, so the estimates I am giving are very low.

10. Does not the line from Foxton to Himatangi at present run upon a road?—Yes. We have land alongside, but we would have to buy some also. Of course, the estimate I have given is a very low one.

11. You were dealing with Sanson?—Yes. I should say from Sanson to Marton you could not expect to make a main line of railway under £10,000 a mile, as in the Levin–Foxton section, plus a bridge. I do not know the crossing of the Rangitikei down at Bull's.

12. The original bridge has twelve spans of 150 ft.?—I understand it is over 1,500 ft. long. The Railway Bridge at Kakariki is 600 ft. long, and there have been disputes as to whether that is long enough; and I think probably a bridge at Bull's would have to be made, say, 1,000 ft. long. A bridge of that kind would probably cost £50,000.

13. You have to make embankments, have you not?—You might bank part of the river-bed and bridge part, but where you bank you have to be very careful what you do. I should say, taking it all round, the Rangitikei crossing with a bridge and banking would probably cost £50,000 to £60,000. I do not think it would cost less.

14. Then take eleven or twelve miles from Sanson to Marton: you get this at £10,000 a mile?—You get up to £170,000 for that section. Then, in regard to development, you see Marton is 450 ft. above the sea. I do not know what the level of Bull's is, but call it 150 ft. or 160 ft. You have to climb up from a fairly low level to Marton. If you are running up 1-in-100 grade, that is 53 ft. to the mile, and taking the distance from Bull's to Marton at six miles, 300 ft. is the height that you have to rise; so that in order to get a main-line grade you may have to develop and go into heavy works in order to get your line. Therefore I think you may take it that that line would probably cost for the twelve miles, including a bridge, £170,000.

15. What do you say about the works at the Marton Station?—If there is any junction made at Marton Station it means a new station to be built entirely.

16. Why?—At the present time there is a great difficulty in working the Marton Station because the junction with the Main Trunk line comes along about one-third of the way into the station, and you would require a sufficient distance from where your Main Trunk line and the Wanganui line come together—a sufficient distance from that point to the point of the next junction at the other end to provide the sidings that you require for interchange, and consequently the Marton Station would have to be carried farther south. If we could get out of that at £50,000 we would be lucky.

17. That means a considerable amount of lay-out?—Yes, and a complete alteration of the station.

18. That is, generally, your idea of the cost?—Yes, of the expenditure. I have mentioned a figure of £10,000 per mile. We at the present time are altering the railway between Auckland and Mercer—or, really, between Otahuhu and Pokeno—which is part of what we might call the old line, and making it a railway that is suitable for main-line express traffic, and we are spending in that distance about £10,000 a mile in order to get it. That is a pretty good guide of what the cost of a main line of railway is.

19. *The Chairman.*] You are straightening the line and lowering it?—Straightening it in places and raising or lowering it in other places. In some cases we are adhering to the present location, and in other places we are making a small deviation.

20. *Mr. Myers.*] In 1896 Mr. McKerrow gave a rough idea in a report he made at that time of what the cost would be. I think he said you would have to estimate £300,000 at the least?—Yes.

21. Has the cost of railway-construction increased since then?—Yes, enormously. I do not know on what class of railway he based his figures.

22. At that time you had 53 lb. rails?—Yes; we have 70 lb. now. I should say £300,000 then would mean the best part of £450,000 now. When he was making his estimate he did not take into consideration the signalling and interlocking systems which we have to take into consideration with fast traffic.

23. You have said you would not run a main line on the road?—I think it would be dangerous.

24. It has been shown that there are a number of private crossings over the tramway, which is quite near to several houses. Could the Railway Department agree to that?—Oh, no, not for a moment.

25. *Mr. Hannay.*] I understood you to say that there should be a new location?—Yes.

26. *Mr. Myers.*] Do you include in your estimate payments for land and new roadmaking you might have to undertake for the county to replace the road at present?—I think so. If we got the land at a reasonable price I think the estimates I have given would, with luck, cover the cost of land and compensation.

27. I want you now to come to the question of junctioning the tram with the railway at or near Marton. Will you tell the Commission what you have to say on that point from your point of view as Engineer of Railways?—Is it intended that the Government rolling-stock should be interchangeable with the tramway at that junction?

28. Oh, yes, the trucks, at all events, with the present tramway?—Not for a moment. It is absolutely ridiculous to think of it.

29. Why?—Because no Government Engineer would for a moment take the responsibility of allowing his rolling-stock to go from a railway to a tramway of that description.

30. But you know that certain trucks, at all events, are allowed to go from the Foxton–Himatangi Section on to this tramway?—That is so, a limited number of trucks on limited conditions and under considerable restrictions.

31. Could you permit the same kind of thing as a main-line junction?—I do not think it would be a wise thing, because the conditions of the Sanson Tram at Himatangi are altogether different from the conditions which would exist in a Foxton–Marton Tramway at Marton. You have presumably a very much larger traffic—not the limited traffic that there is at the present

time. You have to assume that you are going to get trucks loaded with all sorts and kinds of loads from your main line to your tramway, and *vice versa*, and if you have to limit your rolling-stock to certain classes it simply means that you are going to burden yourself with all classes of expenditure at any point of the railway where the traffic is going to be drawn from to that tramway, and expenditure that no Railway Engineer could recommend his Department to agree to.

32. *The Chairman.*] I suppose you mean that the rolling-stock that now carries goods over the North Main Trunk line could not go on to this tramway unless the load was reduced or there were different trucks?—Yes, that is so, your Honour—the load per pair of wheels, or what we call in railway parlance the "axle-load," for a rail of 28 lb. weight. You may take it at certainly not more than 6 tons—probably 5. Our wagons are loaded up to 10 tons per axle.

33. How would it do on a 40 lb. rail—they say they are going to take the 28 lb. rails up and replace them with 40 lb. rails?—Then it is only a matter of degree, because your 40 lb. rails might carry at the outside 8½ or 9 tons. Now, some of our rolling-stock is very much heavier than that. We have an actual example of it. What was known as the Toko Branch—from Stratford to Douglas and Toko—was originally built as a light line with 40 lb. rails, and purposely built in a cheap way. We were put to all sorts of trouble, expense, and inconvenience because we had to limit not only the engine, but also the wagons which were allowed to go on the line. The consequence was that the loads which were offering for this branch had to be loaded into selected wagons, and sometimes those wagons were not available. Supposing at station "A" a load was offering for this Toko line and there were no wagons of the particular kind at this station which could go on the line, then wagons had to be brought to that station in order to take the load. It means great expense in working.

34. *Mr. Hannay.*] And many times wagons would be loaded that should not be loaded?—Yes, and then perhaps you find there is a derailment and all sorts of trouble.

35. *Mr. Williams.*] A reduction of speed would not make up for that?—No; there is a limit, of course, to speed on a rail that will carry any load. In consequence of the Toko Branch being built in this way in a few years we had practically to rebuild that portion of the railway which was built as a light line—in about eight years after it was built.

36. *The Chairman.*] Were you here when the Awamoko Railway was built?—No, I was not. The Awamoko Branch was a case in point where 28 lb. rails had been laid, and they simply could not tackle the business. The rails had to be taken up, and were put down at Sanson.

37. *Mr. Myers.*] Would you from an engineering point of view agree to run Government trains on the Sanson line as it is?—We have already recommended the General Manager that there should be severe restrictions in regard to the running of rolling-stock on the Sanson Tram.

38. Do your objections to the junction at or near Marton apply whether the tramway belongs to the Government or the County Council?—It is all the same.

39. Apart from what you have already said, would the actual junctioning of such a tramway as this at Marton cause any inconvenience or expense to the Railways?—If it was laid as a railway?

40. No, laid with 40 lb. rails?—Yes; I have pointed out that there would be the expense of working the particular junction. That could be met by a special charge, but there is the question of expense which cannot be arrived at: the limitation of the rolling-stock and the limitation of the load passing from one place to another.

41. But would there be any initial expense in the way of lay-out?—Yes, certainly. There would have to be what we call interchange sidings dependent altogether upon the extent of the traffic.

42. Well, could you give the Commission a rough idea of the expense involved in that?—It depends on the extent of the traffic, but the expense would certainly not be less than £1,000, and probably £2,000. It is a little difficult to make an estimate of that kind. I do not know what earthworks would be necessary, but I think there would be some fairly heavy earthworks at Marton, and I think property would have to be bought. Of course, the tramway people would have to supply that.

43. Does that include interlocking?—Oh, no.

44. What would the expense of interlocking works be?—I think you may take it that that would be another £500, but that depends upon whether the interchange of sidings could be provided within the limit of the existing signal-cabins. If that were not so then the expense might be £1,500. It is impossible to say, because of the conditions, and you cannot give an estimate of that kind until you know the actual conditions under which the siding would be put there.

45. *Mr. Skerrett.*] I understand that your figures are approximate only?—Yes, absolutely purely estimates.

46. And you say they have been made without an accurate examination of the ground traversed by the railway?—That is so.

47. And they have been made upon two assumptions: the first is, I understand, the reconstruction of a new line from Himatangi to Marton, disregarding the existing tramway-line?—Yes, practically so.

48. The second assumption which you have made is that the Government line from Himatangi to Foxton will practically require reconstruction?—Yes, that is so—part of the way.

49. That railway is built according to Government standards?—No; that was a railway which was originally a tramway laid along the road. It was originally a tramway from Oroua Bridge to Foxton, and it is practically a reconstructed tramway. It is not built according to Government standard.

50. And it will require practical reconstruction for the purpose of making it suitable for a main trunk line?—Yes.

51. You have assumed also that two new main bridges would be required—one for the Manawatu and one for the Rangitikei?—Yes.

52. Have you considered the question as to whether in any event a new bridge will not be required over the Rangitikei at Kakariki?—I do not think so.

53. You know that the present bridge is both a railway and traffic bridge?—Yes.

54. Do you know that it is causing the gravest inconvenience to the working of the railways?—It causes inconvenience, but I would not say the gravest inconvenience.

55. At all events, you have not taken into consideration the possibility or probability of a new bridge being required across the Rangitikei River?—Let me understand you. Do you mean a new railway-bridge?

56. Yes, a new railway-bridge?—There is no need for a new railway-bridge. We have considered that.

57. If you were going to exclude the public from the traffic-bridge it would mean that the Government would very largely contribute towards the construction of a traffic-bridge?—Why?

58. They generally have to do so because of pressure of public opinion?—Of course, I do not know anything about that.

59. Do you know that the grades between Kakariki and Feilding on the existing line are practically severe?—Some of them are severe, yes.

60. But are they not extremely severe?—Yes. The gradient from Kakariki to Halcombe is 1 in 53, which in a month or two will be 1 in 70.

61. I understand, according to Mr. Hiley's scheme, that the reduction of that grade will cost £50,000?—Oh, no.

62. And we were told in the course of evidence at Palmerston North that that reduction in grade was not being proceeded with?—Well, as a matter of fact, it is practically completed. Then there is the grade beyond Kakariki, what we call the Greatford bank, which I think is 1 in 49: that is to be proceeded with shortly. The total expenditure between Feilding and Marton was estimated to be under £50,000, and the ruling grade would then be 1 in 70.

63. After expenditure of £50,000?—Approximately, £50,000.

64. Has any attempt been made to increase the radius of the curves?—Yes, that is included in the £50,000.

65. Do you know that with the construction of the permanent deviation from Marton to Levin you would have a run from Marton to Paekakariki, distant 70 miles, of 1 in 90 or 1 in 100?—I have heard so. I have no personal knowledge of the scheme at all. I could quite believe that.

66. Would not that be a great advantage both in the load which an engine could take and in the saving of wear-and-tear?—Well, the advantage to be gained has always got to be weighed in connection with any relocation or improvement of gradients. If you have to keep open your existing railway as well as run on the other railway, then it is a very doubtful proposition which will have to be considered in every case as to whether your deviation or your improved grade is going to be worth while.

67. It is a balance of cost and convenience?—Yes.

68. On the one hand you have the expenditure in the construction and increased cost of work, while on the other hand you have the saving of time, and so on, to be placed against it?—Yes.

69. Is not the Railway Department fully alive to the fact that there is a grave and inconvenient congestion of traffic on the section between Marton and Palmerston North—has it been brought to your notice?—Not in those words.

70. Those are my words—perhaps I am "painting the lily"?—I think you are. There is a congestion under certain conditions, which we can alter by increasing the number of crossing-places. That is a matter of comparatively small expense. In order to get rid of certain inconveniences and congestion that existed between two stations on that line there was an additional place put in a little to the north of Feilding—at a place called Maewa—and that has got rid of the congestion and inconvenience you are referring to.

71. That is not an answer to my question. Are there not grave complaints to-day of delays, in live-stock trains, for example?—I have not heard of it. It has not been brought under my notice.

72. I am putting this to you as an expert: do you doubt that in the near future there will be a necessity for a duplication of the line from Marton to Palmerston North, if not to Wellington?—I think it a long way ahead.

73. Others think that a decade will bring the time when that will become a practical necessity?—That, of course, is a matter of opinion. I think it is a long way ahead.

74. Do you know the saving in time that will result—the saving in distance we know is about seventeen miles by the proposed deviation?—I have heard it stated at fifteen miles.

75. You apparently do not know that there was a survey of the eleven miles and a half between Levin and Foxton?—I have never seen the plans.

76. Your total is £405,000 as the actual cost of construction, and about £105,000 for alterations to stations and buildings?—I put the thing roughly at about half a million altogether.

77. I want to ask you about the minor proposition—that is, the suggestion that the Railway Department should permit the tramway to junction at or near Marton with its railway-line. You know that this tramway has been in existence for thirty years?—We will assume that.

78. For thirty years it has been connected with the Government line at Himatangi?—That is so.

79. And there has been an interchange of traffic of Government trucks throughout the whole of that period?—Some of the Government trucks, yes.

80. It has been found, has it not, that at Himatangi an ordinary siding practically served for the traffic on this tram?—Plus the use of the Foxton Branch.

81. But no elaborate siding or interlocking appliances have been required for the traffic?—No.

82. Do you recognize that it is and always will be upon this minor proposal a purely local concern designed to carry only the traffic to and from the district of Sandon?—The conditions of the main line at Marton are not the same as at Himatangi.

83. I want you to assume for the moment that the traffic upon this temporary branch from Marton to Foxton will only carry the local traffic—the traffic to Sandon district in and out. Is there any real reason why the present system could not be followed of interchanging the railway-trucks at Marton?—But if it is for purely local traffic, why make the junction at Marton?

84. Do you suggest that it is good business that this tramway should run for fourteen or eighteen miles and terminate in a metal wall or metal quarry?—It all depends upon the class of business. I am assuming what you say, that it is purely local business: then under those conditions I do not see why you want a junction at all.

85. Why not?—It is for you to say.

86. The evidence that has been given to us is that it will save an enormous cost in the handling of produce and getting produce north from Marton, and enabling them to go into profitable farm production?—Then you are going away from your assumption altogether—that it is local business.

87. I was speaking of incoming and outgoing business. Have you any grain-trucks of so large a dimension that would prevent them, as they have been doing with safety, going on this tram-line, and, as I believe, they are doing now?—They have not been doing so, and there are some that could not possibly go on the line.

88. With regard to timber, for example, are there not timber-trucks which are of greater weight than would permit them to be run on this line?—They are nearly all of dimensions that would not be permitted to be run there unless you partially load them.

89. Is it not a fact that all your goods-trains have to be marshalled at various stations?—It is not a fact.

90. Do you not marshal them at Marton?—Yes, some.

91. What difficulty would there be in a selection being made of the trucks to go on this line at Marton?—You have to get hold of them to select them first. If they are not there you cannot select them.

92. You think the difficulty is insuperable?—I think it is impossible for the Department, as it would be too expensive. You have to begin by collecting all the trucks at the northern and southern limits of the traffic.

93. Supposing this fourteen miles of tramway is converted into a railway of the character of the Foxton line—that is to say, a siding—your objections then vanish, do they not?—No; that is one of the troubles with the Foxton line, which you were referring to as a standard line—because we have to limit the standard of the trucks to go on the Foxton line.

94. Then it is not insuperable?—It would land us in very serious expense.

95. *The Chairman.*] I presume there would be no objection if they changed the contents of the trucks on the railway to the trucks at the siding?—If they transhipped the goods there would be no objection at all, but there would be no use of the junction then. They might just as well do without a junction.

96. *Mr. Skerrett.*] Is there any objection on the part of the Railway Department to the extension of this tram-line to a station at or near Marton Station so as to enable goods to be transhipped to a truck on the tramway from a truck on the railway?—Are you asking for my opinion or experience as a railway engineer or a railway manager? If you are asking from my point of view as a railway manager, I say there are very serious objections.

97. I understand that any sidings that are put in for the purposes of connection are always paid for by those who desire the siding?—Yes.

98. So that the cost of any siding would be paid for by those who desire to connect?—Perhaps you misunderstand the position. It is not only the siding itself that has to be paid for, but any other siding involved by the construction of that siding.

99. Do you suggest that even assuming a junction there would be a necessity for expensive interlocking costing £2,000?—I do not see how you could get out of it.

100. You do not think the conditions at Himatangi could be repeated at Marton?—I am quite sure of it.

101. This interchange siding would be paid for by the county?—Unless, as in the case of the Rangitikei Bridge, where you suggested pressure of public opinion might force the Government to pay for it.

102. But as far as the Railway Department is concerned the interchange siding would be paid for by the people who desire it?—Yes.

103. Do you think any interlocking appliances would be necessary?—Yes, if junctioning with the main line they would be absolutely necessary.

104. *Mr. Hannay.*] Is there any portion of the Marton siding on the Bull's side of the railway?—Yes [plan referred to]. As I explained, the junction comes in on the middle of the station.

105. *Mr. Skerrett.*] Is it not an axiom that those concerned in railway-construction and railway management say that a branch line does not of itself pay?—I think not. It is the first time I have heard that as an axiom.

106. Do you know Mr. Wellington's book?—Yes.

107. He lays it down as an axiom that branch lines taken by themselves do not, as a rule, pay?—That is so, generally.

108. Those branch lines which do pay are main supporting lines?—That is so as a general principle, but it cannot be stated as an axiom.

109. It is a general rule?—There are exceptions, of course, but as a general rule it is so. They are feeders.

110. Is it not a fact that the most prosperous railway-lines have the greater number of branches?—I do not think you could say so.

111. Then Mr. Wellington is wrong?—No, I do not say that: he is usually very right, but it is the way that he is interpreted that is sometimes wrong.

112. Ought not those who have ultimately to determine this matter to consider the value of this line as a feeder to the railway?—That is outside my province.

113. *Mr. Myers.*] The evidence you have given is on the engineering side of the question?—That is so.

114. You have been asked about the grades in the neighbourhood of Kakariki?—Yes.

115. And we have been told that Mr. Hiley's scheme is to reduce those grades at a cost of £50,000?—Yes.

116. How much of that work has been done in regard to the amount of expenditure or the extent to which the grades have been reduced?—About one-third of the work has been done. Mr. Skerrett asked me a question, and I gathered the inference that if the £50,000 was spent in another direction in the deviation it might be a better proposition. Now, I want to say this: that whether the other line is made or not, it is absolutely essential in the interests of the economical working of the railway between Marton and Feilding that those ideas should be carried out, and that is the justification for this alteration of the railway. It is the economical working of the railways.

117. When speaking of the alteration, you are speaking of the reduction in grades?—Yes, and curves.

118. And is the rest of the work being proceeded with?—From one-fourth to one-third of the work is done. As soon as the Kakariki work is finished—and it is practically finished now—we then propose to start on the Greatford bank, which is the principal one after the Kakariki.

119. It is all part of the work within the £50,000?—Yes.

120. Does the reduction of grades on a line of that sort help in the reduction of congestion if there is congestion of traffic?—Any alteration to a railway which increases the capacity of the railway—and a reduction of grades always does—that certainly reduces any congestion.

121. Then you spoke about crossing-places: it is part of the railway scheme?—Yes.

122. The tendency is to increase the length of the crossing-places?—The number of them on a single line of railway.

123. You have congestion sometimes, have you not, between Paekakariki and Wellington?—Very serious congestion.

124. Is not that the extent of the congestion on the Main Trunk line?—Well, there is congestion between Auckland and Papakura.

125. Then let us take south of Marton?—Yes, there are certain individual localities between Wellington and Auckland where there is congestion, but south of Marton the biggest congestion really takes place between Wellington and Paekakariki.

126. And the Railway authorities have in mind the relocation of that line?—Yes. The Public Works Department made a special survey between Plimmerton and Paekakariki. We made certain preliminary investigations, and the Public Works Department has also made investigations, between Wellington and Tawa Flat.

127. Coming now to the question of the connection of the tramway with the railway, do you know of any private line in New Zealand which forms a loop with the Government railways—I mean junctioning at both ends?—I cannot call any to mind. I do not think there is one. I may say there is not one.

128. We have heard of the siding at Himatangi, but if you put in a siding at Marton does not the whole tramway become altered in that it becomes a loop and is no longer a private siding?—That is so, the conditions alter. The assumption which Mr. Skerrett was anxious I should take into my mind is an assumption which is never likely to happen at all. Where you have got a line like that it is not a siding at all—it becomes a loop with the main line.

AUGUST CHARLES KOCH sworn and examined. (No. 46.)

1. *Mr. Myers.*] You are District Engineer in the New Zealand Railway Department?—Yes.

2. And as such you have charge of the Engineering Branch on the Wanganui Section?—Yes.

3. That goes from where to where?—From Paekakariki to New Plymouth and the Foxton Branch through to Woodville.

4. You have made a recent inspection, have you not, of this Sandon Tramway?—Yes from Sanson to Himatangi.

5. First of all as to the formation: is the formation such in your opinion as that you could run ordinary Government trains upon it at present?—No, the formation would want widening and strengthening.

6. Are you speaking of only a part or the whole line?—Well, part of it. There are parts principally on the banks.

7. When I speak of Government trains I am not speaking necessarily of express trains. What have you in mind—express trains or ordinary Government traffic ?—Ordinary Government traffic. The banks are very narrow there—they are very little beyond the end of the sleepers.

8. Then as to the rails and the sleepers, what have you to say about those from the point of view of the Government running trains on the line ?—We would have to run at a low speed on those lines. There are about five miles of 28 lb. rails.

9. Apart from the formation, is the track such as you would run ordinary Government trains on ? —No.

10. Either the rails or the sleepers ?—The rails would want to be replaced with heavier rails.

11. Would the present sleepers do ?—Some of them would, but a lot would have to be taken out.

12. Did you notice any private crossings ?—Yes, to the properties on one side.

13. What do you say about that in reference to a Government line ?—Well, I do not think it would be at all satisfactory.

14. Will you express your opinion from the point of view of danger ?—Yes. The railway is close to the boundary—some 20 ft. away—and I myself think it would be necessary to construct a road right alongside of it.

15. Do you mean to have a road alongside—on the other side of the rail, parallel with the railway ?—Yes.

16. *Mr. Skerrett.*] This tramway-line has been used with Government rolling-stock for some thirty years ?—Yes.

17. I am told that all sorts and varieties of trucks come up from Wellington on to this tramway-line. Do you happen to know whether there is any process of selection at Wellington ?—No, I could not say.

18. *The Chairman.*] I understand you are District Engineer—you have nothing to do with the carrying of traffic ?—No, nothing to do with the traffic.

19. *Mr. Skerrett.*] I suppose it is a fact that some of the railway-trucks would be of intrinsically greater weight than ought to be carried on 40 lb. rails at any speed ?—Yes, that is so.

20. Do you know that on one occasion the Minister of Railways and the General Manager went over this line in a big railway-carriage—came up to Sanson in state ?—Yes, I believe they did.

WELLINGTON, WEDNESDAY, 31ST MAY, 1916.

ROBERT WEST HOLMES sworn and examined. (No. 47.)

1. *Mr. Myers.*] You are Engineer-in-Chief of the Public Works Department for New Zealand ? —Yes.

2. And I think you also hold some official position in connection with the Marine Department ? —Marine Engineer of the Marine Department.

3. Is it part of your duty in these two capacities to have a knowledge of the rivers and harbours of New Zealand ?—Only so far as any works that are brought under my notice are concerned, or are being dealt with by my Department.

4. *The Chairman.*] I suppose anything that the Government has to sanction would be submitted to you before sanctioning ?—Yes.

5. *Mr. Myers.*] Have you a knowledge of the conditions of the Manawatu River ?—Yes, a fair knowledge—not an extremely intimate knowledge.

6. You know that the channel at the mouth is a shifting channel ?—Yes.

7. And that there is this sand bar which we have heard so much about ?—Yes.

8. Can you say whether in your opinion the conditions of that river can be materially improved merely by dredging the channel inside the bar ?—No, dredging the channel would be of no use without controlling-works.

9. When you speak of controlling-works, do you mean controlling-works in the river, or at the bar, or at both ?—At the sides of the channel—wherever it is desired to deepen the water.

10. Does that apply to all rivers, or are you dealing particularly with the Manawatu ?—Particularly with the Manawatu.

11. Why do you say that particularly with regard to the Manawatu ?—Owing to the nature of its bed and the extreme width of the channel of the river, and also on account of the large amount of sand that is carri d by the river, also on account of the loss of effect of the river currents, the total current being spread over a large area instead of being confined to a narrow channel.

12. So far as controlling-works are concerned, if I may call them so, in the channel of the river, is that a matter of great or small expense ?—Great expense.

13. And what do you say about the necessity for work or operations at the bar ?—Well, I have an idea that if the river is properly controlled inside, and down probably to some point between the general line of high- and low-water marks, that the depth over the bar would be maintained in a permanent position, and in consequence of that and the narrowing of the ordinary channel it would probably tend to permanently increase the depth. To construct any works on the bar itself would merely have the effect, as it has on all sandy coasts, of advancing the line of the foreshore, so that after the completion of the works the probability is that the conditions would be the same as at present—there would be no permanent improvement.

14. Would there be, in your opinion, an improvement if training-walls were erected ?—Yes, just down to inside the bar, but not outside or on the bar.

15. *Mr. Williams.*] You would not propose any walls on the bar ?—No.

16. *Mr. Myers.*] That would be a matter of great expense. Can you give the Commission any idea at all as to whether it is a matter of thousands of pounds or tens of thousands of pounds, or what do you mean ?—It is a very difficult matter to give an opinion on, owing to the almost complete absence of any suitable material obtainable in the district.

17. You mean material for the work you suggest ?—Yes, and I should say, judging by what has been spent in other places, that it would run into hundreds of thousands of pounds.

18. Now, it is suggested that this Harbour Board should obtain a sand-dredge with a wooden hull, at a cost of £8,500. It would have a revenue of, say, at the most, £1,500 or £2,000 per annum. In your opinion could any useful work at all be done with that appliance and with that expenditure ? —Not working alone.

19. When you say "not working alone," would you give the Commission some further indication of your meaning ?—Because by leaving the river in its present condition without controlling-works the channel would probably be silted up as fast as the dredge could dredge it out.

20. You mean then, I take it, that the work I have suggested to you would not be of any use without controlling-works in the river ?—Yes.

21. I want to bring you now to the question of the cost of a new line of railway from Levin to Marton ?—Yes.

22. You have gone into that question, have you not ?—Not very closely, as we have not any very exact information.

23. But have you gone into it sufficiently to enable you to give something like a definite opinion to the Commission as to the cost of the work ?—I know the country fairly well, and I have done some line-location along part of it.

24. I think, as a matter of fact, you did part of the survey-work on the Marton side in the early "seventies" ?—Yes. Well, my idea is that it would cost anything between £10,000 and £12,000 a mile, inclusive of everything.

25. So that if the length is forty miles, you think it would cost between £400,000 and £480,000, roughly ?—Yes.

26. *Mr. Weston.*] You say that there is a large amount of silt coming down the Manawatu ?—Yes.

27. And that in your opinion, dredging in the channel of the Manawatu between the harbour and the bar, the tendency would be to fill up at once with the silt brought down ?—Yes.

28. Then I suppose I may take it that the conditions of the channel between Foxton Harbour and the bar, in the absence of any attempt to improve the river, will steadily get worse ?—Not necessarily.

29. What would become of the silt ?—It goes out to sea.

30. All of it ?—Yes.

31. You know, of course, that the sixteen miles above the wharf has been steadily shoaling ?—I have heard a witness say so.

32. Do you dispute that ?—No, I would not dispute it.

33. But if the depth above the wharf is steadily filling up must not that process of filling up in course of time extend farther down the river ?—I do not think so. I think that the filling-up in the upper part of the channel is not very much—very slight—and is liable to be scoured out again by one of the large floods.

34. *The Chairman.*] Then do you think the river would maintain its present depth always ?—I think so. I see no reason why it should get any shallower. Rivers always have a tendency to silt up during a period of small floods, and when large floods come the former conditions usually obtain again.

35. I suppose in high floods there are banks that direct the current ?—Not in the part between Foxton and the bar.

36. They cannot spread over the country ?—It does between Foxton, and some distance between there and above Shannon.

37. That should tend to drive the silt out to sea ?—Yes.

38. *Mr. Weston.*] There are very few sharp bends below Foxton ?—There are two sharp bends —Robinson's bend and Hartley's bend.

39. So that but for those two sharp bends you have a fairly straight channel ?—Yes.

40. Therefore the tendency would be to have a strong current in flood-time ?—Yes.

41. What is the nature of the channel between Foxton Wharf and the Heads ?—It is a form of alluvial deposit.

42. And you say that no more alluvial is going to join that deposit in the future ?—It may join it, but it will be washed away in one of the heavy floods.

43. You told us you must increase the scour inside—that is the basis of your scheme of retaining-walls ?—Yes.

44. You say there is a small fall between the Foxton Wharf and the mouth of the river ?—I did not say that, but there is not a great fall.

45. And there is a very slow current ?—Not when the tide is running out.

46. I suppose you will admit that coming in there is not a very strong flow in the current—the current is not very strong ?—Oh, yes, there is a fairly strong current running up the river.

47. You say that owing to the slow current it was necessary to have retaining-walls right down the channel ?—That is on the part where the mouth of the river is really an estuary—between Hartley's bend and the bar.

48. I may take it that if there is a slow current like that the reason for increasing the current would be to prevent deposit of silt ?—Yes.

49. Well, looking to that fact, on which you lay stress, surely this process of depositing silt will go on unless you do something to stop it ?—No, that is not so.

50. Why ?—Because the river always maintains its shallow bed in the estuary, and in order to do that it must carry the silt out to sea. There is no other place to deposit it.

51. *The Chairman.*] Supposing you are dredging, if you take away the silt by dredge, that is the same as carrying it out to sea by the river itself, is it not ?—Yes.

52. Then if you take away the silt, except the silt is brought down by a heavy flood, it would keep the channel clear ?—There is always the tendency to wash the silt from the sides into the channel.

53. Is there not a clay deposit in the river—it is not all sand ?—That I could not say.

54. It depends on the weight of the sand : if it is light sand like that at the Manukau Heads ?—That is not so light as the sand down at Foxton. At Manukau there is a certain amount of ironsand.

55. But is there no clay ?—Yes, there is a certain amount of clay in the banks of the river. The banks of the river down to Hartley's bend consist of a certain amount of clay. The bank I am speaking about would be a submerged bank lower down—a bank that would not be apparent.

56. *Mr. Weston.*] You examined the banks of the river at the part you mention ?—Yes. I have not taken any particular care—I just made a casual observation when passing over the place.

57. How often have you been there, say, in the last five years ?—I do not think I have been there in the last five years.

58. I think you were asked to report, as far back as 1911, on Mr. Howarth's scheme for a parliamentary Committee ?—I remember the scheme, but I do not remember whether I prepared a report upon it. I may just have commented upon it.

59. Before writing that comment, did you make a special investigation of the harbour ?—No.

60. You knew you were going to give evidence before this Commission ?—Yes.

61. Have you made any special examination of the harbour ?—No.

62. So that you are speaking from a very casual look when passing up the river ?—No, not a casual look exactly.

63. Supposing you were asked to give a report on which your reputation was to stand as to what ought to be done with that river, would you be prepared to write it with the knowledge you have now ?—Yes.

64. Well, with regard to the clay : it is important whether or not there is a substratum of clay, is it not ?—Not particularly.

65. Does it not mean that if you get a clay substratum the channel dredged through clay would be more likely to remain open ?—No, not necessarily.

66. Would you be prepared to deny that there is a substratum of clay and that you can actually see it in the banks of the river down towards the Heads ?—No ; I have just stated that I believe the banks do consist of a large measure of clay down to Hartley's bend.

67. That is where the difficulty is ?—Below that spot.

68. And below that, you have a clay substratum ?—No. I do not know what is below Hartley's bend Beyond that point the whole of the banks apparently consist of sand and sandhills.

69. The whole of the substratum of that country in the Manawatu has consisted of clay ?—Only up to a certain point, then you arrive at the litoral drift, consisting of sand and alluvial deposits. They extend a good distance seaward.

70. Can you tell us what is the nature of the continuity of depth from the Foxton Wharf to the bar—that is to say, have you deep water with casual sandbanks—is the depth of the water uniform ?—The depth of the water is not uniform. You have a deep channel at Robinson's bend, then you have a shoal, then you have deep water round Hartley's bend, then you have a very variable channel to the bar, which is generally shallow.

71. What we were told by a captain who has traded there for over twenty years, and by the pilot, is that with the exception of about a half or three-quarters of the channel it is deep and gives no trouble ?—It is deeper than the shallow part of the estuary.

72. It is deep enough for a vessel of 350 tons to be navigated easily ?—As far as I am at present aware the navigation of the river is governed entirely by the shallow part in the estuary of the river.

73. What is the length of the channel—what would require to be cut and kept open there ?—I could not say from memory.

74. Would you consider it to be more than half a mile ?—I consider it is a good bit more than that. Of course, it varies very much.

75. Do you know the nature of the bar—have you considered whether there is a depth of water close up to both sides of the bar or not ?—I could not say.

76. The old idea of the engineers was that the main point was to get a scour by the erection of training-walls ?—Yes.

77. That has been somewhat modified of recent years, has it not ?—Not that I am aware of.

78. Have you kept yourself abreast with the good work that has been done with suction dredges, especially in dealing with silt ?—Yes, as far as I have been able to.

79. Do you consider that is an efficacious way of dealing with sand ?—Circumstances govern the case. You can generally obtain a certain depth of water by means of training-walls which may suit the part in question, but then you arrive at a certain point when training-walls are not sufficient. You can obtain a certain depth but you cannot get any deeper. You may require a deeper channel : the only alternative then is to dredge.

80. Is it not a fact that in a large number of harbours the erection of training-walls, instead of being an advantage, has been a disadvantage ?—It may be so.

81. At Liverpool the bar was kept clear entirely by the sand-dredge ?—That is so.

82. *Mr. Williams.*] Are you sure that is entirely so—is there not a training wall there ?—I was going to say that the last article I read about Liverpool was that they were contemplating the construction of works with the view of guiding the current.

83. *Mr. Weston.*] When you speak of hundreds of thousands of pounds, what depth of water are you aiming at ?—Just the natural depth obtainable by the tidal scour available. What that would be it is impossible to say. I do not suppose it would average much over 10 ft. or 12 ft.

84. You mean to say it would be impossible, in the case of the Manawatu, to get these results that they have got, for instance, in the Clyde and at Liverpool, by the expenditure of hundreds of thousands of pounds ?—On dredging ?

85. I suppose your scheme would include dredging ?—No, because the trade of the port would not warrant it.

86. You say you want to have training-walls pure and simple, assisted by the natural scour ?—Yes.

87. And you do not rely on dredging at all ?—No.

88. Supposing there was a dredge of the capacity of the "Thomas King" continuously at work there, would it improve the channel ?—I do not think a boat like the "Thomas King" would have any effect in improvement of the port.

89. The "Thomas King" removes from 100,000 to 130,000 tons of silt a year ?—Yes.

90. And you do not think that the constant removal, year in and year out, of 100,000 tons of silt would have any effect on that bar ?—No.

91. Or on the channel ?—It may have in increasing the depth of the channel, but you have to consider where you are going to dispose of the material with a boat like the "Thomas King."

92. *Mr. Williams.*] It is a drag suction dredge which is capable of pumping the material ashore, as Mr. Howarth describes. He has only referred to the "Thomas King" as being of that size and capacity ?—The "Thomas King" was not built as a dredge at all. She is only a makeshift.

93. *Mr. Weston.*] Do you consider that a dredge with a capacity of 100,000 or 150,000 tons a year would have any effect ?—I think it would have some effect, if long continued, on the channel.

94. If we are right in assuming that the shoal is from a half to three-quarters of a mile in the channel, do you mean to say that would not dredge it ?—I should have my doubts.

95. You are totally opposed to the scheme of dredging altogether—you think it is not the proper method of dealing with this problem ?—No, not exactly. What I say is that dredging would not be an economical method of dealing with it in the absence of proper training-walls.

96. But you have told us that if you had no training-walls through which you dredge you would get no result. That is what I understood you to say—am I right in that ?—You would not get any permanent result.

97. What do you mean by that ?—Supposing you dredged the top of the channel right down, you would merely make a place for the river to deposit the silt in instead of sending it out to sea, and the probability would be that the first big flood would fill it right up again.

98. It would be loose silt ?—Yes, and the more difficult to handle on that account.

99. And would not be so hard to shift as the original deposit that had been there for years ?—It may be more difficult to shift.

100. Therefore you turn the suction dredge down in regard to that harbour ?—Well, it is rather difficult to answer a question of this description unless we have some concrete example before us of what your intentions are.

101. Mr. Howarth says you cannot afford to go in for retaining-walls—that is too expensive. I suggested a drag suction dredge, and he says, "I think that will do the work, give you a proper channel on the bar, and clear the channel of the river of shoals." That is his report ?—Well, I do not think it would have that effect.

102. I suppose Mr. Howarth, owing to his experience in the Wanganui River, would have a fair idea as to what can be done with suction dredges ?—If Mr. Howarth is basing his opinion on his experience on the Wanganui River, he is basing it entirely on a harbour where works have been carried out which I say are unnecessary at Foxton.

103. But dredging has been done at Wanganui ?—Yes.

104. But is there not a question as to whether some of the training-walls was a wise expenditure ?—I do not think so.

105. You gave a report in 1911. Your evidence does not seem to fit in with that report. You say, "Owing to the length and width of river to be dealt with between Foxton and the bar, it will not be possible, as Mr. Howarth mentioned, to construct works of a permanent character for confining the river. The alternative must be dredging as described. It may be possible to purchase a dredge for the price mentioned, and carry out the dredging in the same time and at the annual cost, but I am afraid Mr. Howarth is a little too sanguine. Owing to the immense quantity of sand to be dealt with, it will not be possible on removing any from the channel to convey it clear of the river. The best course, therefore, and practically the only one which can be adopted, is to lift it from the part of the channel required for navigation and deposit it a short distance on either side by means of a floating pipe. It is almost impossible to say what the annual cost of the dredging would amount to, owing to the changes in the channel which occur with every flood. I think, however, that it will cost more than estimated." You do not turn down there the system of dredging by a suction dredge, do you ?—No; but what I have said before, I think, has been in conformity with the questions asked me. This is rather a difficult matter. The idea was to maintain a sufficient channel free of sandbanks for the purpose of navigation without doing any other work. That can be done by employing sufficient dredging-power.

106. You adhere to what you said in 1911—you do not want to qualify this report at all ?—No.

107. Would you sign it again ?—Yes.

HERBERT BUXTON sworn and examined. (No. 48.)

1. *Mr. Myers.*] You are Chief Traffic Manager of the New Zealand Government Railways ?—I am, yes.

2. The only question I want to ask you about is with reference to the suggested connection between the Sanson Tramway and the Main Trunk line at Marton. I want to know whether you think that is a reasonable or feasible suggestion ?—I think it is not a reasonable suggestion.

3. And why ?—It will merely give what is at present an unnecessary connection at considerable expense to the country.

4. We will deal with that aspect of the matter first. Why do you say it will be at considerable expense to the country ?—It would mean that a certain amount of revenue which is now received by the Railway Department would be diverted; and there would be a very considerable expense in making and working those junctions.

5. As far as the construction of junctions is concerned, that would not be borne by the Railway Department. What expenditure do you say would be incurred in the working of the junctions, or what is the nature of the expense ?—The nature of the expense would be in the handling of this additional traffic at these junctions which now passes through. The junction would then be a train terminal. It now passes through on the trains, and costs us nothing. It would cost us the same as other terminals under the junction arrangement as it costs now. We would still have to run trains past the junctions, and additional expenditure would be required in handling goods at each of those junctions.

6. What do you mean by "each of those junctions" ?—In the case of through traffic, if there was any, which I am assuming there would be. We have our present arrangement which takes this present traffic through Marton and Levin. If we had to put it in at Levin and hand it over to our own management or the management of other persons we would have to handle it at Levin and again at Marton.

7. You can leave out the reference to Levin, because I am not asking you anything about the proposed new railway. I am only asking you about the junction of the tramway, which would then be a loop line from Marton to Himatangi ?—In that case the same thing would occur at Marton. We would still have to handle that business again at a busy junction.

8. *The Chairman.*] What do you mean by "handling it again"—that you take the truck off one train and put it on another ?—That is so.

9. That is what you mean by handling ?—Yes. And there must be a certain amount of shunting done.

10. *Mr. Myers.*] That is the extra cost of working ?—Yes.

11. Does that mean extra labour ?—It would mean extra labour at Marton.

12. What about signalling—do you know anything about that ?—I do not know anything about the cost of the installation of signalling.

13. Are you able to say whether the junctioning of the tram-line with the railway-line would mean extra cost so far as signalling was concerned ?—Probably not of operation, but certainly of installation.

14. You are not then speaking as an expert on that point ?—I know nothing as to the cost of installation.

15. I would like a little further information on this question of what you call two handlings. It means that your train would go on to Palmerston ?—Yes.

16. What work have you to do then ?—If we have traffic from the Sanson line which is going beyond Marton, in that case the traffic is taken from either Foxton or Himatangi to Palmerston, and is there made up into a train. When we get that on the train it goes to its destination, practically. A certain quantity of that is put off at Marton. If going through to the Main Trunk we have trains going in that direction, or if to Wanganui we have trains going to Wanganui. When the train arrives at Marton it is practically complete, but if there were trucks from Sanson line we would have to remarshall the train. If that traffic comes through Palmerston the train starts from there complete with the Sanson stuff in it.

17. At the present time I understand you regard this Sanson line as merely a private siding to Himatangi ?—Yes, that is so.

18. Supposing it junctions with the Main Trunk line at Marton, does it alter its condition, so far as you are concerned—would you still regard it merely as a private siding ?—No, it would then become a connecting branch of the line.

19. Would you call it a competing line ?—It would be a competing line for certain business. We are referring now to goods that would go by railway. All the traffic for Sanson would not go by railway; some of it would be carted.

20. *The Chairman.*] Supposing you have a tramway running from Sanson to Marton the tramway would get the same goods as the wagons would. Supposing a man said, "Instead of sending the goods by wagon you send them by tram," would not the only difference between a junction and a siding be this: that instead of taking the goods into the truck you take the goods out of the truck ? Supposing the goods came by truck and joined on with your line, you might say that this truck is not suitable for our line, and we will not allow your trucks to run on our line. You would have to take the goods out of that truck and put them into another truck ?—That is so.

21. You would take the goods out of the truck, the same as you would take them out of the wagon. Who is to pay the cost—it would fall on the owners of the goods ?—Yes.

22. And you charge for that ?—Yes.

23. There are three things: First, there is the joining of the railway by the siding: do you call that connecting with the railway ?—That is a junction. If you are going to exchange traffic there it is a junction.

24. And you call that a connection ?—Yes.

25. Then a mere siding is a connection ?—Yes.

26. Then, second, instead of having a connection, you may have a junction—something more than a siding ?—No, Sir. I understand the siding you refer to in the first instance is a siding connecting with the Government railways.

27. *Mr. Williams.*] There is in the minds of some of the Commissioners perhaps the idea that instead of the rails meeting you may have them running parallel ?—I should merely call that a terminal siding, and not a connection.

28. *The Chairman.*] The third point would be where you have running-powers—that is, the rolling-stock of the tramway running over the Government line, and *vice versa*—mutual running-power: that is another kind of connection ?—Running-powers in the ordinary way are supposed to be the operation of trains into the station; but it does not follow if you have a connection you have running-powers.

29. There are three different things ?—Yes.

30. There is what you call the terminal siding, there is the railway connection, and there is the running-power ?—Yes.

31. *Mr. Myers.*] Is a terminal siding a connection at all ?—No.

32. *The Chairman.*] What do you call it ?—It is an end for approaching a station, but not connecting with it.

33. *Mr. Williams.*] You perhaps know that in Australia there are some instances of railways running parallel with each other. Would you call that a connection ?—No, I would not. I only call a connection where you can run rolling-stock from one line on to the other.

34. *Mr. Myers.*] Would it be feasible, to begin with, to have such a siding anywhere except in the neighbourhood of a station ?—It would be of no use. It would be feasible, but it would be of no use.

35. I mean, having regard to the operation of the Government railway system ?—No.

36. Having regard to the reasonable working of the Government railways at Marton, is there room for such a tramway there, and could you operate it ?—There is no room at present, and as far as the operation is concerned, that would depend entirely on what we were expected to do. If the corporation or whatever it might be undertook to cart their stuff from the end of the railway, being so much nearer to Marton than they are now, and present it to us, we would take it and work it, as we are working the traffic now carted, but it would be of no use and no advantage to us as far as that is concerned.

37. Would it be of any advantage to the other people ?—It would be merely a source of extra expense.

38. *The Chairman.*] What is the meaning of having light railways—you have heard of a scheme of light railways ?—Yes.

39. Light railways are not supposed to carry heavy wagons, which are largely for ordinary lines ?—No.

40. But they are supposed to connect in some way with the main lines, and to act as feeders to them ?—Yes; they go into the station.

41. Some light railways, in some countries, are only 18 in. and 2 ft. in width ?—That is a different matter, I think. The reason for making light railways is that they are cheaper to maintain than roads.

42. And they bring traffic to the central railway, and from the light-railway trucks you change the goods into the ordinary trucks of the railway ?—That is so; they have all the disadvantages of a road, so far as the railways are concerned.

43. But you can get quicker over the ground ?—Yes, that is so.

44. *Mr. Myers.*] I am not speaking of a railway connection in the sense in which you use it; but is there room, in your opinion, at Marton Station for a parallel terminal siding, such as has been suggested ?—No; there is not room at present.

45. *The Chairman.*] It may be got ?—Yes, at certain expense, but there is not room at present.

46. *Mr. Myers.*] Would such a siding as that be an addition to the expense of the working of the Government railway at Marton ?—It would. Apart from the cost of construction, the working-expenses would necessarily be more.

47. Would such a siding as that interfere with the revenue of the working of the Government railways ?—I could not give a final opinion on that. If it diverted traffic, of course it would.

48. Have you a knowledge of the class of tramway such as this Sanson Tramway ?—Yes; I have been over it.

49. Is it a tramway on which your heavier trucks could be allowed to go ?—No, it is not.

50. If you were bringing down a certain amount of produce from stations on the North Island Main Trunk line, could you reasonably make your selection of trucks and so on for the purpose of working in with this tramway and running your trucks upon their line ?—The sorting-out of the different classes of trucks to meet those particular conditions would, of course, be difficult, particularly if they were loaded by the senders of the goods. A large part of the timber traffic is loaded by the senders, and that would require constant supervision to see that they did not load a heavy truck that could not go over the tramway.

51. Does the same apply to other goods ?—Yes.

52. *The Chairman.*] I suppose timber-trucks come out of the timber-mill sidings ?—Yes.

53. And coal-trucks the same ?—Yes.

54. *Mr. Skerrett.*] Is it not a fact that there is a considerable amount of goods traffic to and from Marton from north and south ?—Yes.

55. Is it not a fact that each of the ordinary goods-trains has necessarily to be marshalled at Marton ?—No; not necessarily.

56. Can you not be a little more candid about the matter? What proportion of goods-trains has to be marshalled at Marton?—Well, a small proportion of them. There are trains from the Main Trunk running through to Palmerston: those are not marshalled.

57. Those are express goods from Auckland or some other place to Wellington, are they?—Yes; say to Palmerston or some other station.

58. Necessarily, you would not have to marshall an express train?—There are no express goods-trains.

59. Those are through goods-trains?—Those are the trains working traffic from the Main Trunk to Palmerston North.

60. Are those the trains which carry goods from the north to Wellington?—Not necessarily to Wellington: to anywhere south of Marton.

61. How about goods that are destined for Wanganui and New Plymouth?—Those are necessarily put off at Marton.

62. How often per day are they carried on to their destination?—Four or five times a day.

63. Then there would be eight or ten trains marshalled at Marton per day?—No; not marshalled. As I understand "marshall" it means to reconstruct the train. Putting a vehicle off and putting another on is not marshalling.

64. There are eight or ten trains per day on which trucks from Marton have either to be attached or detached?—Yes; that is so.

65. I understand you to suggest that if there was a siding from the tramway at Marton that process would be intensified, and would be expensive?—It depends on whether the tramway connected with the railway or not.

66. Supposing there was a siding connected with the railway: would the process simply of attaching and detaching trucks be expensive?—Yes; there would be an expense.

67. But is not that expense negligible?—No; certainly not.

68. Will you give me any idea of the expense per train of the attaching of an additional truck?—It is not only the attaching of the additional truck—you have to shunt it into a siding, and have the train ready to take it, and the cost of that is something additional.

69. You know the Legislature only last year passed an Act giving facilities for the construction of light railways, and their connection with the Government railways?—I believe that is so.

70. I understand you give no evidence yourself as to a possible diversion of trade by this connecting line?—That is so.

71. What are the sizes or descriptions of those trucks which are too heavy to run on the Sandon Tramway?—Any trucks which convey a load of more than 8 tons.

72. Well, are any of those trucks supplied to collieries or timber-mills?—Yes.

73. What is the proportion of the heavier trucks compared with the total rolling-stock?—I could not tell you without referring to the report of the General Manager.

74. Is it half?—It is in the annual report.

75. You can think of no practicable system by which trucks carrying the Sandon–Foxton goods can be replaced by your own trucks?—I do not say that. The tramway-trucks can be used, and are used at the present time.

76. Has it created any difficulty during the last thirty years?—No.

77. Why should it create any difficulty in the future?—Because at the present time, so long as the connection is merely at the Foxton end, we can work the trucks we use at the Foxton end, but when you connect with the main line between Wellington and Auckland, then these heavier trucks are constantly passing to and fro on that line, and do not go on the Foxton line.

78. This objection presupposes a considerable goods traffic from the north, does it not?—Yes.

79. And being diverted on to the Sandon line?—Yes.

80. I do not suppose you suggest that the lack of room at the present time for a siding is a serious matter?—That is a point for an engineer. I could not say.

81. We have heard from one engineer who was called that there was room for a siding?—He said there was room for a junction, I think.

82. I think the witness referred to a parallel siding?—I do not know.

83. It appears quite clear that the Railway Department could not prevent the extension of the tramway to some site at or near Marton?—They could not prevent it, of course. They could object, but they could not prevent it.

84. That would entail the handling of Sandon goods at Marton, would it not?—If there was a connection it would—such goods as could be handled there.

85. As you point out, and as the Commission are well aware, that extension to Marton, unless brought into the premises of the railway-station, would involve extra cartage?—That is so.

86. I am going to put in a return showing that the Railway Department collected during the year 1915–16 for the Sandon Tramway freights to the amount of £667. That would be approximately correct, would it not?—I have not those figures. If the return is made out I have no doubt it is correct.

87. My object in asking you this question is to ask you whether it is not a fact that a corresponding amount would be collected by the Sandon people and paid over to the Railway Department?—Yes, the Sandon people show in their return an amount that is paid over to the Railway Department.

88. If the traffic originates on the Sandon Tramway line they collect the freight at Foxton?—Not always. It is a question of whether the sender of the goods wants to pay the freight, or whether he does not. If he does not pay it we may collect it.

89. But the Sandon people have on occasions to look to you for a portion of the freight?—Yes.

90. The last year's truck-hire, I am told, amounted to £578 ?—I have no doubt that would be correct.

91. *Mr. Myers.*] What is your maximum load on any of the trucks ?—30 tons on a 14-ton truck —that is, 44 tons altogether.

92. And your loads vary from that to what—what is the lightest truck fully loaded ?—The lightest truck fully loaded is about 12 tons.

93. Of which 8 tons is the load and four tons is the truck ?—Yes.

94. They vary from 12 tons, including the truck, to 44 tons, including the truck ?—Yes.

95. And the load varies from 8 tons to 30 tons ?—Yes: that is, our full loads.

96. *Mr. Skerrett.*] Supposing a truck of timber comes from the Main Trunk line on to the tram at Himatangi, are you able to say whether any practical selection has been made of the trucks in which the timber or coal is carried ?—The selection is made simply by our people, who have instructions as to what class of trucks may or may not be run on that line. Say, for example, that a sawmiller loaded 25 tons on to a truck, that truck would not be taken on the line.

97. Is a selection in point of fact made ?—Yes, by us.

98. For timber and coal ?—Yes, and for heavy materials.

99. Coming from the north ?—Yes.

100. *The Chairman.*] Do you change goods from one truck to another truck, or is the selection made by the coal-miner or the timber-worker ?—The selection is made by the person who loads the truck. They naturally load into the smaller trucks. The heavier trucks may go on the Sandon line, but not fully oaded.

101. *Mr. Myers.*] The heavy trucks are not supposed to go on that line at all, are they ?—No, not with a heavy load. It is all a question of the load.

102. So far as such traffic is concerned which you have had over this tramway in the past—is it considerable or negligible ?—I have not the particulars, but it is not a great deal.

103. If it were to increase materially how would it affect the question of the selection of trucks—would it increase the difficulty ?—Of course it would.

RICHARD WILLIAM MCVILLY sworn and examined. (No. 49.)

Re *Foxton Wharf.*

1. *Mr. Myers.*] I want first to deal with the question of the Foxton Wharf. You told us in Foxton that this wharf has always been operated as an integral part of the railways ?—That is correct. It was built by the Government for the railway, paid for out of railway capital, and has always been operated and owned by the Government Railways Department as part of the railway system.

2. Now, is it correct to say that throughout whenever the request has been made that this wharf should be handed over to the Foxton Harbour Board the answer of the various Governments has been that it was not in the public interest to do so ?—Yes, that is absolutely correct.

3. Would you mind just stating shortly when the first effort was made by the Foxton Harbour Board to obtain this wharf ?—The wharf was completed in 1873 as part of Foxton–Palmerston Tramway, which afterwards became Foxton Railway. The Harbour Board was constituted by Act in 1876. It came into being in 1877, and on the 10th March, 1877, the first Chairman of the Board, Mr. A. Gray, wrote the Marine Department requesting that the boundaries of the Harbour Board be defined, that the necesary information as to demarcation of boundary between the railway and the wharf should be given to the Board, and he desired particularly to know whether the Board was compelled to take over control of and provide for the pilot services if they waived their claim to dues for pilotages.

4. At all events, the Board was not endowed with the wharf ?—No; the wharf from the outset was railway property, and has always continued so.

5. Was there any question at that time as to the boundary between the wharf and the railway ?—Yes. The Chairman asked for that information, and on the 26th March, 1877, the Secretary to the Customs Department, with the approval of the Hon. George McLean, who was then Minister of Customs, wrote to Mr. Gray, who was the first Chairman of the Foxton Harbour Board, "With reference to the wharf, I have been informed by the Public Works Department that there is no boundary between the wharf and the railway, as the wharf is an integral part of the railway." In April, 1877, the Chairman of the Board made a further effort to obtain possession of the wharf, and on the 12th April, in writing to the Minister of Customs, he stated that "some grave omission must have been made from the Act." He also stated that "the Act mentioned, as part of the endowment to the Board, the wharf." That statement was not correct. The Act did not endow the Board with the wharf. Then he said, "the Act made no reference to pilot services." These the Board wanted to get rid of because they would not pay. He concluded by stating, "On behalf of the Board I request that the wharf now occupied by the railway be secured to us, and the care and cost of the pilotage service removed from our supervision." Correspondence in the same strain continued till 1879.

6. There is a letter from the Government in 1877 ?—Yes. The Secretary of Customs pointed out to the Minister of Customs and Marine that effect could not be given to the desire of the Foxton Harbour Board to obtain the wharf, and in the meantime the Government's powers under the Marine Act had not been delegated and the Marine Department were maintaining the staff.

7. Then, in September, 1877 ?—Mr. Maxwell wrote to the Minister of Public Works in connection with the same question. He pointed out that the Foxton Wharf was part and parcel of the railway;

that the Foxton line was then working at a loss, and to give the Foxton Wharf to the Board would mean a loss of revenue of £600 a year to the Railway Department, therefore the wharf should not be parted with.

8. Now, on 1st March, 1878, was a certain letter written by the Marine Department to the Board ?—Yes, it was written without the cognizance of the Railway Department, although it concerned purely railway property.

9. The letter to which you now propose to allude was not referred to the Railway Department at all ?—No, not in any way. It only came under notice of the Railway Department by accident at a later date.

10. The letter was from—whom ?—From Mr. Seed, Secretary of Customs, approved by the Hon. J. Ballance, and dated the 1st March, 1878. The letter is addressed to the Chairman, Foxton Harbour Board, and reads as follows: "With reference to the correspondence which has passed between yourself and the Government on the subject of handing over the Foxton Wharf to the Foxton Harbour Board, I have been directed by the Hon. the Commissioner of Customs to state that the Government being anxious that the management and control of harbours and wharves, &c., should as far as possible be undertaken by Harbour Boards, are desirous of knowing whether in the event of your application for the Foxton Wharf and the wharfage dues collected thereon being handed over to your Board, they would undertake to maintain it and to provide further wharfage accommodation as may be necessary to meet the growing requirements of the port, and at the same time provide for the cost of and assume the management of the harbour staff. The new signal-station with all necessary buildings and appliances will shortly be completed at a cost to the Government of upwards of £500, so that no other outlay except for the salaries of the pilot staff will be required for a considerable time to come. The salaries of the pilot and two boatmen amount to £455 10s. per annum, and this sum may probably be reduced by dispensing with the services of one of the boatmen as soon as the new signal-station is completed." The reply to that letter is dated the 7th March, 1878, and is signed by Mr. Gray, Chairman of the Board, who says, "In reply to your letter of the 1st March wishing to know whether in the event of our application for the Foxton Wharf and wharfage dues collected thereon being handed over to the Board they would undertake to maintain and to provide further wharfage accommodation as may be necessary to meet the growing requirements of the port, and further to provide for the management of the harbour staff, &c., I have to inform you that a resolution passed at a meeting of the Board, which I now affix, will, I think, be sufficient to show our reasons. That, as the proposition as laid before the Board in the letter from Mr. Seed dated the 1st March last still places the Board in a position so that the expenditure would be larger than the income suggested to be given by making the wharfage tolls a part of the income of the Board, they are reluctantly obliged to decline the proposal unless the Board could be assured of a similar endowment to what the Wanganui Harbour Board obtained last session."

11. *The Chairman.*] The Wanganui Harbour Board got a large piece of land ?—Yes, that is so. The endowments are specified in the Wanganui Act. Foxton had endowments also, but the Board wanted more.

12. *Mr. Myers.*] Then, on the 24th February, 1879, what happened ?—The second Board was elected, and wanted the Railway Wharf.

13. And did the Chairman, Mr. Gray, write again to the Government ?—Yes, on the 24th February, 1879, as follows: "At the first meeting of the Harbour Board I was instructed to write and inquire whether the Government would hand over the Foxton Wharf to the Board as an endowment. It seems unnecessary, after our past correspondence, to again point out the peculiar position in which this Board stands without the receipt of any income whatever. Trusting you will favour me with an early reply so that I may lay the same before the Board."

14. Was that request considered by the Government ?—Yes. It was referred to the Minister of Public Works by the Minister of Marine and Customs.

15. Was it referred to Cabinet ?—Yes, it was referred to Cabinet by the Minister of Public Works, and declined by Cabinet definitely in March, 1879.

16. That application was declined after reference to Cabinet by the Minister of Public Works ?—Yes. The letter to the Chairman of the Board reads: "In reply to your letter of the 24th February addressed to the Minister of Customs, I am directed by the Minister of Public Works to inform you that the Government are unable to comply with your request that the wharf at Foxton should be handed over to the Harbour Board as an endowment. The Government has no power to do so."

17. Then, after that the Government expended certain moneys in enlarging the wharf and buildings at Foxton ?—Yes, there was wharf improvement, renewal, and lengthening included in station contract of £15,164 let to Mr. Saunders in 1880.

18. After that was done, what happened next ?—On the 5th April, 1881, the solicitor to the Board, Mr. J. Herbert Hankins, wrote to the Government as follows: "I am instructed by the Foxton Harbour Board to inquire whether in the event of the Board undertaking to maintain the wharf and to provide the costs of and assume the management of the harbour staff the Government would be prepared to hand over the wharf and the wharfage dues to the Board." That letter was referred by the Secretary of Customs to the Minister on the 8th April, 1881, and the request was declined.

19. Will you look at the letter of the 1st June, 1881—I think you will find a letter from the Secretary of the Marine Department ?—Yes, it is signed by Mr. McKellar, and reads, "I am directed by the Minister to inform you that he regrets that he cannot comply with your request. As the trade at the Port of Foxton is almost altogether confined to goods consigned to or from the railway, and the wharf traffic must be managed by the Railway Department, the Minister cannot see that any public advantage could be gained by transferring the wharf to the Board."

20. Now, is that the attitude which has been taken up ever since by successive Governments ?—Yes, by every Government up to the present time.

21. Has the present Government taken up any other attitude ?—No; the Government do not want to sell the wharf.

22. May we take it that the Railway Department still, rightly or wrongly, regards this wharf as an integral part of the railway ?—The Railway Department undoubtedly does regard the wharf as an integral part of the railway, and it is unquestionably railway property.

23. *The Chairman.*] How did the Government give up the Wellington Wharf ?—That was by statute, and provided for in connection with certain portions of the reclamation, for the use of which the Department pays no compensation if it has to take land at any time.

24. *Mr. Myers.*] That is the position taken up by the Department. Does the Department think that the Foxton Wharf should be sold ?—Certainly not; the Department has always been averse to selling or otherwise disposing of the wharf.

25. Or go out of the possession of the Department ?—The Department considers it should retain possession of the Foxton Wharf.

26. If, however, it should be decided that this wharf should be sold, what is the Department's view as to the basis on which the price should be fixed ?—The view the Department takes is this: The net earnings on the wharf represent interest on so much of the capital which is invested in the railways of the Dominion. The wharf is a State asset; the cost of construction has been debited against the Railway Department, and is included in the Railway capital of thirty-six millions. The railways have to earn and pay interest on the capital invested, and should not part with the wharf, which is worked at a profit which helps to pay interest on capital cost of railways and wharf.

27. That wharf was constructed originally as part of the railway ?—That is so. It was constructed as and has always been an integral part of the Foxton-Waitara Railway system.

28. And I understand that the cost of the railway and the wharf is all one lump sum, and is so represented in the capital of the Department ?—That is right. You cannot separate the cost of the railway and the wharf at this date.

29. Now, His Honour asked you just now how the sum of £28,700 was made up. Will you indicate that to the Commission ?—It was made up by taking the earnings of the wharf, allowing 65 per cent. for working-expenses, and capitalizing the balance at 3½ per cent. at that time. That was the first valuation. The earnings of the wharf have been growing all the time. Subsequent to the first valuation the Secretary of the Harbour Board made further representations regarding the purchase by the Board. The Minister decided that he would let the original offer stand, although the net earnings had increased materially, and we would have been entitled to get, I think, about £54,000 on the net earnings capitalized at 3½ per cent. at that time. The price at which the Harbour Board was then offered the wharf was £28,700. The Board objected to pay on 3½ per cent. valuation, but their own witness agreed before the parliamentary Committee that 5 per cent. would be a fair valuation. The net revenue averaged over five years was £1,400. This capitalized at 5 per cent. gave £28,000. The Department cut off the £700, and the price on the basis of the Board's suggested capitalization then stood at £28,000, so both parties were in accord.

30. *Mr. Williams.*] Supposing the question had been wholly one of the railway and you had to sell that, would you have put it on the same basis ? You explained to us that the Foxton line was losing money, so that its value would be less than nothing ?—The Foxton line was not paying when the wharf question first arose. It is not paying the full 3½ per cent. interest now, but it is paying something over and above expenses.

31. Do you think that that would be a proper way to get at it ?—I look at it in this way: the Railway Department has to protect the interests of the general taxpayer, and it should not sell any profit-earning asset at less than full value. As I have said, there is thirty-six millions of capital invested in the State railways.

32. But you have not answered my question ?—We should certainly not sell any portion of our business for nothing less than actual cost under any circumstances, and in the interests of the taxpayers should retain profitable assets.

33. *The Chairman.*] What is the average interest earned on the railways now ?—Last year (1915) it was close on 4 per cent.

34. *Mr. Myers.*] I want you now to tell the Commission what services you perform for the 2s. per ton on general merchandise which you referred to in the general category of wharfage ?—First of all, provision of the wharf and plant for working; shunt trucks to and from ship's side; then tally the ship's goods into and from the slings; take the goods ex ship from the sling into the truck, stow them in the truck; shunt the truck back to the shed, unload it there, and sort the goods. That is the nature of that service.

35. That is all included in what you call "wharfage," for which you charge 2s. You have no terminal charge but wharfage ?—The services enumerated are performed for the wharfage of 2s. Then there is the station service, for which a terminal is included in the ordinary rates.

36. What is the terminal charge ?—The terminal charge is to cover cost of station facilities, shed, sidings, cranes, shunting, plant, loading, taking goods into the sheds, or handling ship's goods after sorting at shed.

37. *The Chairman.*] I thought the terminal charge included the cost of labour for loading ?—That is so when goods are brought direct to the shed; with ship's goods the loading service commences after they have been sorted ready for railing inland. Ships invariably deliver in bulk, and goods always require special sorting.

38. Are you not paying a portion of the labour as a terminal charge ?—No; in respect of ship's goods the wharfage is an entirely different service altogether.

39. What you do for wharfage is what you would not do at a station where there is no wharf ?—Yes; it is an additional service.

40. *Mr. Myers.*] His Honour has spoken about the terminal charges. You would have a terminal charge included in the rate of freight from Foxton ?—Yes, every freight rate has a terminal charge.

41. But when does that commence ?—For the purposes of goods, ex ship, when you have finished sorting in the shed. You are then in the same position as when a cart brings goods to the shed-door. You have to take delivery at the door, check the consignment, and wheel it into the trucks for despatch to destination.

42. Is there any terminal charge included in the 2s. which you charge on goods coming into Foxton ?—No, that is purely a wharfage charge, and ordinarily covers the use of the wharf only.

43. I want you to tell the Commission what you were entitled to charge and could have charged on all those goods under your regulations and tariff ?—For all the haulage and handling that is performed as between the wharf and the shed we are entitled to charge 1s. 6d. per ton under the regulations.

44. *Mr. Hannay.*] In other words, if the wharf belonged to the Harbour Board you could still charge 1s. 6d. instead of 2s. ?—That is so. I should like to remove any misapprehension the members of the Commission may be under in regard to the cost of working the wharf. The 65 per cent. which I mentioned does not represent the cost on the wharf, but is a fair average for working the Foxton line. I took 65 per cent. and capitalized it for the purpose of ascertaining the value of the wharf as a going concern, because we did not want to inflate the net revenue; but, as a matter of fact, the actual cost of working the wharf at that particular time was under 49 per cent. of the gross earnings; and I pointed out in the correspondence with the Board that by taking the expenses at 65 per cent. instead of 45 per cent., we were placing the Harbour Board in a very advantageous position.

45. *The Chairman.*] As to the purchase price, based on revenue ?—Yes, the valuation on the 65-per-cent. basis was £37,600; while on the basis of actual working-cost, 49 per cent., it would have been £54,000.

46. I understood that you gave us before what was the net expenditure ?—I was speaking of the Foxton Branch then. I said it would be about 66 per cent. of gross earnings.

47. No, you gave us the net amount that would be got from the wharf after paying for the labour, which you say is part of the wharfage rate ?—The question as I understood it was, "What relation did the net earnings of the Foxton Wharf bear to the Foxton Branch ?"

48. No, I think you gave us before what the labour cost ?—Yes, that is the labour cost working the wharf. The figures are included in the return handed in.

49. *Mr. Williams.*] In 1916 the revenue was £3,612, and the expenditure £1,989, including maintenance of wharf ?—Yes, that is about 55 per cent. for expenditure, including maintenance of wharf.

50. *The Chairman.*] Supposing you had the wharf left to your own management, I suppose the Harbour Board would not object to that. So far as this wharfage work is concerned, the rates amount to about £1,600 or £1,700 a year, and that is what the Harbour Board wants. They want it as a wharfage rate. You must either do that or not charge more than the labour, which is in the nature of a terminal charge on the goods ?—If the Board purchased the wharf, and the Department worked it for the Board, an agreement would be entered into and price per ton for handling fixed. The Department might in that case charge haulage rates in addition, 1s. 6d. per ton from ship's side to shed.

51. *Mr. Myers.*] Do you charge 1s. 6d. elsewhere ?—Yes, for haulage and handling. We do not charge it at Foxton and some of the other ports, because of the competition, which in respect to Foxton was originally between Government railways and Manawatu line.

52. *Mr. Hannay.*] You should have been charging it all along ?—Yes. It is a gazetted rate, and would be quite properly charged at Foxton, but was waived for competitive purposes during the Wellington-Manawatu Company's time, and not enforced since.

53. *Mr. Myers.*] Supposing the wharf did not belong to the Railway Department at all, would the Department still have to perform the haulage and handling services for which its charge under the tariff is 1s. 6d. per ton ?—Most undoubtedly it would, and a charge of 1s. 6d. per ton would then be made.

54. That work would still have to be performed by the Department, apart altogether from the Board ?—Yes, apart altogether from the Board, who would have no facilities, and could not be allowed to handle goods in railway goods-shed.

55. Apparently the owners of goods coming to Foxton have been fortunate in that that item has not been charged in the past ?—Yes, that is the position. They have had maximum services for the minimum charge.

56. Well, for many years the wharf and railway have worked together ?—Yes, as an integral part of one system.

57. And for many years the railway did not pay as a railway ?—That is right.

58. Now, I want you to compare this 2s. charged by the Railway Department at Foxton with the wharfages charged by some of the Harbour Boards. Take, for instance, Wellington ?—The charge at Wellington for wool and merchandise at the present time is 3s.

59. Of which how much is referable to labour ?—One shilling.

60. So that they charge 2s. for wharfage and 1s. for labour ?—Yes.

61. What about Wanganui ?—That is also under the Harbour Board.

62. What do they charge there ?—General merchandise, 3s. on import goods and 2s. on export goods—import goods weighing under 1 ton.

63. *The Chairman.*] What do they do for that ?—They provide the harbour and the wharf. The railways handle the goods for them by arrangement.

64. What do you charge them ?—At the present time we are charging the Board 10d. a ton, which is very much too low, and does not cover actual cost of service rendered.

65. That is in addition to the wharfage ?—No, it is included in the wharfage.

66. They charge a man 3s. a ton and give you 10d. ?—Yes.

67. *Mr. Myers.*] What work do you do there—pretty well the same as at Foxton ?—Yes, but the greater portion of Wanganui goods are for local delivery. At Foxton local-delivery goods are small.

68. So that you are not adhering to the regulation there ?—No. There is no port haulage there : it is just a labour charge.

69. *The Chairman.*] What is the haulage ?—If we convey goods from the ship's side at Wanganui to private sidings or stores we would charge 1s. per ton. If we also handle the goods in addition we would charge 1s. 6d. per ton.

70. This charge is for labour and wharf ?—Yes ; 3s. for wharfage includes labour, and is collected by the Harbour Board.

71. Do you charge extra for haulage ?—Yes. If you had a store in our yards or connected to our line by a private siding and got the trucks loaded with goods ex the ship, we would charge haulage of 1s. per ton for shunting the truck of goods from the ship to your store.

72. Supposing you land at Wanganui goods for Marton, what does the owner of the goods have to pay ?—3s. wharfage to the Harbour Board, who provide the labour for wheeling the goods into the shed : that is what we charge the Harbour Board 10d. per ton for.

73. What do you charge the owner ?—The ordinary mileage rate from Wanganui to Marton.

74. Then you do not charge the 1s. 6d. ?—No, not in that case, because we perform no special service.

75. *Mr. Myers.*] Supposing you deliver the goods out of your shed ?—Then we charge the special rate of 1s. per ton for handling in our shed.

76. *The Chairman.*] Supposing that you have landed goods at Foxton for Palmerston, what you charge is 2s. ?—Yes.

77. What else do you charge ?—We simply charge the ordinary freight, based on the mileage the goods are carried.

78. Now, do you not do the same thing in Wanganui—namely, if a man pays 3s. you do not charge him anything else but railway freight if you land the goods at Marton ?—The goods are wheeled into the shed on a hand-barrow from the Wanganui Wharf, and that is charged against the Wanganui Harbour Board at 10d. per ton.

79. You charge nothing to the owner but freight from Wanganui to Marton ?—No, there is no charge against him for conveyance from the wharf into the shed. That is paid by the Harbour Board out of their 3s. per ton wharfage.

80. But the haulage from the ship to the shed would cost less than the railway-truck from the ship ?—If you push a truck by hand or by engine it constitutes haulage.

81. I can understand that if you take goods from the steamer into the railway-truck and then take the truck into a shed and then unload from the truck into another truck, that is one thing ; but can you not take the goods from the ship's side and from the truck right on to Palmerston ?—No, because theoretically the man who brings the goods to the railway-shed is supposed to bring them sorted, ready to be loaded and sent to destination, whereas the ship brings them in bulk and puts them out anyhow in 200 or 300 ton lots irrespective of ownership or destination. This necessitates unloading, sorting, and reloading in the railway-sheds.

82. Where do the Wanganui people sort their goods ?—They are sorted on the wharf.

83. Where are they sorted ?—At the ship's side.

84. Why charge the Foxton people more than the Wanganui people ?—Because you have to take the truck from the wharf into the shed, unload it in the shed, and sort out and reload the goods.

85. Why not truck them into the shed the same as at Wanganui ?—We cannot do it in the time. The ships coming in there want the quickest despatch and have to catch the tide. Hand-trucking would be slower than loading into railway-trucks.

86. *Mr. Williams.*] The proper way, according to your evidence, is to truck the goods into the shed from the ship at a cost of 10d. per ton ?—Yes at the cost of the labour. As a matter of fact, that 10d. per ton charged at Wanganui was arranged when we were paying 8s. per day to our men ; now we are paying 10s., and shall have to increase the charge against the Wanganui Board.

87. *Mr. Myers.*] Can that be done at Foxton ?—Not satisfactorily ; it would be slow and delay ships.

88. Who is the owner of the goods-shed at Wanganui ?—The Railway Department. The bulk of ships' goods are local delivery. Conditions are different to Foxton. We could not have the Foxton Harbour Board loading our trucks from ships. All sorts of disputes would occur regarding condition and despatch of goods. The Railway Department must check, and the Foxton Harbour Board would have to deliver the goods from the ship at the railway goods-shed the same as any other consignor.

89. When was the Wanganui Wharf improved ?—It has been improved recently—in fact, the Board are always improving it.

90. In Wanganui there is a big traffic ?—Yes ; it has increased to about 70,000 tons a year.

91. You say that your regulations entitle you to charge 1s. 6d. per ton ?—Undoubtedly they do.

92. And I suppose you regard the matter altogether from a business point of view, and if you lose revenue from one source you have to make it up from another ?—From a business point of view, certainly we have. The Department should not perform costly services for nothing.

93. You do not consider the political aspect of the matter ?—No. I am dealing with the matter from a business point of view, and I say we have no right to give away for nothing anything which is revenue-producing and is returning the Department a certain amount of money every year.

94. Have you any other instances that you can give us of charges by Harbour Boards—for instance, Timaru, New Plymouth ?—Yes. At, say, Onehunga, with goods A, B, C, and D, the import charge is 1s. and the export charge 1s. on merchandise. At New Plymouth it is 2s. We handle the goods at the breakwater at a special rate. We have a special rate of 2s. a ton at Oamaru—for taking the goods from the breakwater to the shed.

95. You have now, have you not, a large quantity of trucks coming from the Main Trunk to Wellington from time to time ?—Yes, a very large number.

96. And you must have goods for backloading ?—Yes, as far as we can get them, otherwise wagons have to be hauled back empty from Wellington.

97. In the days of the Wellington-Manawatu Railway Company there was competition between the Manawatu Railway Company and the ship to Foxton ?—Yes.

98. And I think that your Department, as a business concern, combined with the ships ?—The Government Railways endeavoured to keep all traffic that originated on the Government railway to the State railway route for the longest possible distance, and we made special rates to Foxton and worked in conjunction with Levin and Co's. ships, which also made reductions in rates for the purpose of inducing traffic to go via Foxton and the sea instead of via Longburn and the Wellington-Manawatu Company's line, as by the Foxton route the Government railways got nineteen miles longer haulage than if they dropped the goods at Longburn.

99. Supposing the sea-borne goods to Foxton increased very considerably at the expense of the Government Railways, what would be necessary for your Department, as a business concern, to do, having regard to the number of trucks that come down and accumulate here ?—The Government Railways had to spend about £1,000,000 in acquiring the Manawatu Railway. We have improved the line and provided additional facilities at large expense to increase the capacity, and we have to protect the railway and general public interests. If we found there was a large diversion of traffic from the State railways to the sea route we would have to consider the position from a business point of view.

100. And make special rates ?—Yes, to meet the position and get the traffic.

101. As a business concern, could you carry on in any other way ?—No, certainly not.

102. Now, was not your Department compelled to make, in the interests of the railways as a business concern, special rates in the South Island as between Dunedin and Oamaru, and Timaru and Oamaru ?—Yes, between Dunedin and Oamaru, and Lyttelton and Timaru. We have also similar rates in the North Island ; a case in point is between the Thames and Paeroa and Auckland.

103. You had to do that in the interests of the Railway Department and of the public as a whole, to meet the sea competition ?—That is so. The rates are competitive to meet road and water competition.

104. Of course, there is no differentiation—every one is on the same basis ?—Yes, exactly. The Department's action is quite proper and legal. The rates are gazetted and apply to all under the conditions laid down in the regulation.

105. Take the position so far as the South Island traffic is concerned : the railways have maintained their position, have they not ?—To a very large extent they have. Of course, you cannot altogether wipe out sea competition.

106. But the railway traffic has been more successful than the sea traffic to Oamaru, has it not ?—Yes, we succeeded there : we attained our object.

107. Now I come to another point. Supposing this wharf is handed over to the Foxton Harbour Board, I want to know what is going to be the effect as far as Nelson and Picton are concerned. First of all, take Picton. Your Department has spent a very considerable amount of money on wharfage there, has it not ?—Yes, we have built a new wharf there at very considerable expense. We regard Picton as the terminus of the South Island Main Trunk Railway, and have made provision ahead, which is far in excess of present requirements.

108. And I suppose from that point of view the wharf is at present run at a loss ?—Yes, it is.

109. *Mr. Williams.*] If you had to sell it, would you say that it should be sold for nothing ?—No, certainly not; but it seems to me that if a man buys a section at £4 and the value depreciates he will not sell it below £4 if he can avoid it : he will get as much as he can.

110. *Mr. Myers.*] Picton at present has not a Harbour Board, but supposing one is created and the Foxton Wharf is handed over to the Harbour Board, do you see any difficulty in the position ?—Yes. Once you establish the precedent that the Department has to give up its assets—which, as a matter of fact, are pledged as securities for the loans invested in railways—every Harbour Board which takes a fancy to a railway wharf will consider that it has a perfect right to come along and demand it.

111. I want you now to come to the case of Nelson : what is the position there ?—Well, at Nelson it would be a very serious matter for the Railway Department if it lost revenue from the wharf.

112. *The Chairman.*] What have the wharves cost you ?—The capital cost of the Nelson Wharf, buildings, and sidings is £65,000.

113. *Mr. Myers.*] That includes the railway-sidings ?—Yes.

114. And your net income there ?—The income from the Nelson Wharf represents £1 0s. 3d. per cent. interest on the total capital invested in the whole of the railways of the Nelson Section—not merely on the cost of the wharf alone. If deprived of the earnings of the wharf the net return from the Nelson Railway would be about 12s. per cent. The net earnings last year from the wharf were £6,395.

115. In Nelson, I suppose, the Harbour Board charges port dues ?—We get wharfages and we get berthage ; but we have certain charges there.

116. The Harbour Board manages on its port dues and any other revenue it has ?—Yes. The Board has some endowments and gets £500 a year from the Government.

117. The Nelson Harbour Board is asking for the wharf, is it not ?—Yes. The £500 is to recoup the Board for the loss of revenue in respect of rents that it received for land along the old wharf front.

118. The Railway Department required the land, and acquired it ?—Yes.

119. If the Foxton Wharf is handed over, do you expect an agitation from Nelson in the same direction ?—I should say we certainly would have it. As a matter of fact, the Nelson Harbour Board has already asked for the wharf there.

120. *The Chairman.*] What does it offer to pay ?—Nothing, your Honour.

121. *Mr. Myers.*] Would it pay the Department to let the Board have the wharf for the mere cost of the structure ?—Certainly not. The Nelson Harbour Board was told that the Department did not want to dispose of the wharf, but as an offer had been made to Foxton some time previously the Board would be given an option based on the same principle of purchase.

122. *Mr. Williams.*] What would that be ?—About £101,000. It would be more now, because the net revenue has gone up considerably.

123. *The Chairman.*] Was there an expenditure beyond the £65,000 in the old provincial days ?—The total capital expenditure is £65,000—that is the whole lot, including the expenditure in the old provincial days.

124. *Mr. Myers.*] The position is different in Foxton from what it is in Nelson. I think you said that in Foxton 95 per cent. of the goods came over the railway, at all events as far as Himatangi ?—Yes, approximately 95 per cent.

125. And I suppose a considerable percentage of that 95 per cent. would go to Palmerston and farther north ?—The bulk of it would go to Palmerston and stations up to Dannevirke and Feilding.

126. So that only a small proportion is taken over the Sanson Tramway at present ?—Yes, at the present time.

127. Have you any other wharves where the position is pretty well similar to what it is in Foxton—I mean, wharves where practically everything goes over the railway; I do not mean a port like Lyttelton ?—In New Plymouth pretty well the whole of the traffic goes over the railway from the port to New Plymouth Station and stations beyond.

128. But a great deal of it is distributed in New Plymouth ?—Yes, a considerable quantity is for local delivery.

129. The New Plymouth Wharf does not belong to the Railway Department ?—No, it is a Harbour Board wharf.

130. In Wanganui, I think you told us, the wharf was constructed by the Department or by the Government, but it belongs now to the Harbour Board ?—The present wharf was constructed by the Government, but in the early days of the province the Provincial Government built a number of jetties, which the Wanganui Corporation purchased from them for £20,000. The Wanganui Corporation subsequently, by Act of Parliament, was relieved of its responsibility. When the Wanganui Harbour Board was constituted the Board took over the responsibility of the Corporation to the extent of £20,000 in respect of those wharves and a bridge. When the railway-station was built it included a wharf built right along the waterfront. This destroyed the old wharves and amounted practically to confiscation of the Harbour Board's property. Representations were subsequently made to the Department, and on the facts of the position being made clear the Government rightly said, "Very well, we have deprived you of the use of your property and the revenue derived from the wharves you had, so will give you the new wharf in place of the old wharves which have been destroyed." This placed the Wanganui Board in substantially the same position as they were in before, except that they had a new wharf instead of some old structures.

131. His Honour wanted some information in regard to the Wellington Wharf ?—The Wellington Wharf was built by the Government but passed over to the Harbour Board by Act of Parliament, which contains a provision that the Government Railways shall not pay the Harbour Board any compensation in respect to certain of the reclamations that the Department may use or acquire at a future time.

132. *The Chairman.*] Were the railways not to pay the cost of the reclaiming ?—No, your Honour, nothing whatever in the way of compensation.

133. My impression is that the old reclamation was done by the city ?—The reclamation near where our station stands now, was, I believe, carried out by the Provincial Government. How far it extended towards the Railway Wharf I cannot say at present, but I will look the matter up in order to give your Honour the exact information.

134. *Mr. Myers.*] There was some reclamation done by the Harbour Board, you say ?—Yes.

135. When was it that they got the wharf ?—In 1880, I think; but I could not tell you for certain at the moment.

136. *The Chairman.*] The wharf was only erected in 1879 ?—Yes.

137. *Mr. Myers.*] At Onehunga I think the Government disposed of the wharf ?—Yes.

138. Why was that ?—When the Main Trunk Railway was opened the value of the wharf to the Railway Department as a going concern and as part of the railway ceased to exist, because the bulk of the through traffic which had previously gone by rail to New Plymouth, then by sea from New Plymouth to Onehunga, went by rail via the Main Trunk Railway. Then the Auckland Harbour Board intimated that they wished to acquire the Onehunga Wharf, which had never been a profitable thing to the Railway Department. It had always been a source of expense and was no longer necessary to the Department, so it was agreed for a consideration of about £8,000, which included some land, to hand it over. It was a very good bargain from our point of view, and the Harbour Board was quite satisfied. It was a fair deal, satisfactory to both parties.

139. In Waitara I think you handed over the wharf to the local body because you had been interfering with their streets in some way ?—Yes; the railway-station was put into the middle of the main street, practically closing it. It was adjacent to the river. The wharf would have been of very little use to us. There was considerable local objection, and the Government, when representations were made by the local authorities in regard to the railway-station, agreed that if the Harbour Board was prepared to construct a new wharf and sheds with additional track below the Railway Wharf they could have the Railway Wharf on that condition. The Harbour Board accepted the offer and put up a wharf lower down.

140. But in Waitara is there not an appreciable quantity of goods sea-borne which passes over the railway ?—No, there was not at that time: there was practically nothing.

141. The bulk of the trade at Waitara is frozen meat, I suppose ?—Yes, it is now, but it is a new industry: there was no meat traffic in those days.

142. Did that pass over the Government wharf at all, or how was it taken ?—Not at that time. There were no meat-works there, and no business of any extent. The total business at the time was £132 a year, and the expenditure on working the wharf £123 per annum.

143. At Port Chalmers the Railway Department owns a wharf ?—Yes, we have a wharf there.

144. How do you operate that ?—We work the traffic straight from the ship's slings into our trucks; we do all the tallying at ship's side, and send the bulk of the goods up to Dunedin, where they are discharged into the goods-sheds. It is the only deep-water wharf there, and it was provided for the specific purpose of inducing large ships—boats like the "Ionic"—to come to Port Chalmers and use the railway instead of lying out in the stream and lightering, and then taking goods up to Dunedin by water route. For years there was keen competition for overseas traffic between lighters on the bay and the railway from Port Chalmers to Dunedin.

145. It was necessary that you should have a wharf at Port Chalmers ?—Yes. If we had not provided a wharf suitable for deep-water steamers the boats would simply enter the port, lie in the stream, tranship some of the goods into lighters for Dunedin, and then go on themselves to Dunedin wharves. Some of the ocean boats, of course, do go direct to Dunedin now.

146. We have heard a good deal from some of the witnesses in regard to the question of coal, although no owner of coal-ships has been called as a witness. It is a fact, is it not, that your importations of coal into Foxton are considerably less than they used to be ?—Oh, yes.

147. First of all, has the reduction in your importations of coal into Foxton anything to do with the state of the river or bar ?—No, nothing whatever.

148. When was it that your importations of coal into Foxton began to be reduced ?—On the 31st March, 1909, they were falling off.

149. At that time had the Government acquired and commenced to operate the Manawatu Railway ?—Yes. We took the Manawatu Railway over in December, 1908.

150. At that time had the Main Trunk line been opened ?—Yes, it was just opened.

151. Now, first of all, did the acquisition of the Manawatu line and the running of the Main Trunk line of trains affect the question of importations of coal into Foxton ?—Undoubtedly.

152. Will you explain to the Commission the factors which operated in the direction of reducing the coal-importations into Foxton ?—Prior to 1908, if the Railway Department required to send coal from Wellington to its depots at Palmerston North, Woodville, and beyond, it had either to pay the Manawatu Railway Company tariff rates for carriage over the Manawatu line, or to haul the coal over the Rimutaka line and round by Woodville. Therefore, so far as the Department was concerned the Port of Foxton was a convenient point at which connection could be made with the Government railway, and for that reason, and as small boats were then available and much easier to get than they are now, the Government railways used Foxton to a considerable extent to supply coal to the Palmerston North, Taihape, and Woodville depots.

153. And I suppose you used to get some coal in through Wanganui also ?—We did not rely wholly on Foxton. As soon as the Manawatu Railway was acquired the Department made a practice of getting large shipments of coal. All the Department's coal coming into Wellington is obtained in large shipments, and Wellington is now the most convenient place from which to distribute and replenish the coal stocks at various depots—Palmerston North, Paekakariki, Woodville, Taihape, Ohakune, and sometimes as far north as Taumarunui.

154. Do you therefore make use of coal as back loading ?—As far as we can. A large number of loaded trucks gravitate down to Wellington from the Main Trunk districts and Napier district, and in addition a considerable number come from Wanganui district. Those wagons have to be hauled back either empty or loaded, and it is a convenient and good arrangement for us to load them from Wellington with coal instead of hauling empty to Palmerston and diverting a number to Foxton to load coal—dead haulage is saved.

155. What about Wanganui: do you still get coal into Wanganui ?—Yes, from time to time, as we require it. Then, there is another objection, so far as we are concerned, in respect to getting coal at Foxton. All our coal is screened coal: that is what we contract for. Whenever we get a shipment of coal at Foxton it is necessary to send the Locomotive Foreman from Palmerston North—to take him away from his ordinary business and send him down to Foxton to inspect the coal. If he were not there when the ship arrived, and before it commenced to put out the coal, there would be a difficulty in regard to inspection, because the coal would not always be up to our standard. By getting the coal at Wellington we have two men right on the spot, who can go down to the ship without any inconvenience, and without leaving their headquarters, and inspect the coal as it is put out. The same thing applies at Wanganui and at New Plymouth.

156. Can you tell the Commission what coal is mostly used in the North Island for the railways ?—A very large proportion of it is Newcastle—the larger proportion.

157. Has the quantity of West Coast coal used in the North Island generally increased or decreased of late years ?—I could not tell you that straight off. Of course, our coal-consumption has increased with advance of train-mileage, and we have had difficulty in getting sufficient West Coast coal, which has affected the quantity of that coal used by railway.

158. Are you speaking of Foxton or generally ?—I am speaking generally.

159. Has the Railway Department at any time been met by refusal on the part of the shipowners to send their boats to Foxton for reasons connected with the condition of the river ?—No, I cannot recall any case; but I know that the Railway Department from time to time, in order to assist shipowners, has on different occasions agreed to take 100 tons of coal at Foxton when the shipowners have had a ship they wanted to fill up for Foxton.

160. But that has not been at the order of the Railway Department in the first instance ?—No; it has been invariably done in response to inquiry from the shipowner as to whether we could take a cargo of 100 tons, and for the purpose of assisting the shipowner.

161. So that when a shipment of coal has been distributed partly at Wanganui and partly at Foxton has that been done at the request of the Railway Department ?—Certainly not.

162. Now, whether the river conditions at Foxton are good or bad, does that affect the question of the importation of coal by the Railway Department into Foxton ?—Not in the slightest degree. So far as the Railway Department is concerned, the coal sent into Foxton is a negligible quantity. The Department does not regard Foxton as a necessity for its coal-supply.

163. That used not to be so ?—No. I am speaking, of course, of the present time, and since we took the Manawatu Railway over—since 1909.

164. We heard when in Palmerston North from Mr. Goldingham that it had decreased in consequence of the river. Can you tell the Commission whether the railages of Messrs. Goldingham and Beckett have increased or decreased during the last few years ?—The railages for the year 1914 were £1,742, and for 1915 £1,763; and up to the present time this year the account is £793. So if anything it is really on the upgrade. There is no appreciable difference.

165. We heard something also in the country about the West Coast Trading Company's wharf. That company erected some coal-bins which the Commission saw in Foxton ?—Yes.

166. They had to cease using the coal-bins: do you know why that was so ?—I understand that is was for a twofold reason. I know what they ascribe it to. In the first place, the bins were built too high; consequently the ships found a difficulty in hoisting the coal into the bins. They had to go right up to the limit of the topmast to fix their gear, and I was told when at Foxton that in some cases the ship had to make special provision for hoisting-gear, and the shipowners would not agree to continue to perform the special service free of charge. They were undertaking a service involving expenditure that they had not realized at the outset, and would not agree to continue unless they got a special rate. That, I understand, is the true reason why the use of those bins was discontinued, not the fact that the Railway Department charged wharfage on the coal.

167. The value of the wharf merely as a structure has been given by two witnesses, in one case as £3,200, and in the other as £3,700. You are not disposed to quarrel with that figure as representing merely the present structure value ?—No.

168. But that includes nothing for reclamation-work ?—No; that is for the wharf only.

169. Of course it was necessary for the reclamation-work to be done in order to construct the wharf ?—Yes, that is right.

170. You personally, I suppose, have no knowledge of the condition of the river from time to time, with regard to the depth of the channel ?—No, except what I have seen from the plans.

171. What is this plan [plan produced—No. 20497] ?—That is a Railway plan. It shows the soundings at Foxton Wharf taken by Mr. W. R. Davidson, one of our engineers, on the 26th March, 1907. His soundings are shown in black figures. The soundings taken by the Assistant Engineer, Mr. G. J. B. Bertinshaw, on the 18th June, 1913, are shown in red. It is an official plan. [Plan put in.]

172. Does it show an increase or a decrease in the depth ?—It shows an increase, but in some places it is stationary.

173. The first soundings were taken in 1907, and the second in 1913 ?—Yes.

174. Was any dredging or work of that kind done between 1907 and 1913 ?—Yes, dredging has been done. The first was in 1902, the last in 1904: none since then.

175. Mr. Kellow seems to think there was some more recent dredging at the wharf: have you any record of that ?—No.

176. But you have a record of the dredging in 1904 ?—Yes. That, I believe, was down at the bend of the river.

177. Is there any other information which I have omitted to ask you about, but which you think would assist the Commission in regard to the Foxton Wharf ?—I do not think so.

Re *Sandon Tramway and Railway Deviation.*

178. We will now deal with the suggested new line between Levin and Marton ?—Yes.

179. I think you have gone to a considerable amount of trouble with a view to ascertaining what would be the commercial result ?—I have taken out the particulars.

180. It would be as well to give the Commission that information first ?—I have had it compiled for the purpose of showing the volume and trend of the existing traffic. The statement [Exhibit 14. See page 200] shows, first, the traffic originating at or going to Thorndon–Levin and all intermediate stations inclusive to and from Marton, and all stations beyond on the Main Trunk Railway.

181. Is that the return which you put in in Palmerston ?—Yes.

182. *The Chairman.*] That will touch on the local traffic between Levin and Marton ?—No, not that particular item. The second figures show all traffic originating at or going to stations—Thorndon–Levin inclusive from and to Pukepapa – New Plymouth and intermediate stations and branches. Pukepapa is the first station on the New Plymouth line beyond Marton. The third set of figures shows the traffic originating at or going to stations Thorndon–Levin inclusive from and to stations Koputaroa–Greatford and intermediate stations inclusive; the fourth, traffic originating at or going to stations Thorndon–Levin inclusive to and from Terrace end and Napier and Wairarapa line; fifth, local traffic between stations Koputaroa–Greatford inclusive—that is, all the traffic on that section of line which is purely local, and does not pass beyond the stations named; sixth, traffic from and to Koputaroa–Greatford inclusive to and from Terrace End, Napier, and Wairarapa; seventh, traffic from and to Koputaroa–Greatford inclusive to and from stations Marton Junction and stations north thereof on the Main Trunk; eighth, traffic from and to Koputaroa–Greatford and intermediate stations to and from Pukepapa, New Plymouth, and intermediate stations and branches; ninth, traffic from and to stations Terrace End, Napier, and Wairarapa line to and from Marton Junction and stations north thereof on the Main Trunk; tenth, traffic from and to Terrace End, Napier, and the Wairarapa line to and from Pukepapa – New Plymouth and intermediate stations and branches on New Plymouth line. Now the traffic from and to all stations Thorndon–Levin inclusive to and from Marton and beyond on the Main Trunk, as well as traffic to and from Wellington–Levin inclusive from and to Pukepapa and New Plymouth, would all be affected by the deviation. The local traffic between Koputaroa and Greatford would also be affected—a portion of the Napier – Wairarapa – Terrace End traffic would have to pass round to it; and the traffic from and to Koputaroa to the Main Trunk would be affected by the deviation, as well as that from and to Koputaroa to New Plymouth. There will be additional changing to and from trains, with loss of time and other inconveniences. Assuming that this new line of railway were built, shortening the distance by fifteen miles, 146,410 passengers, representing the business under items 1 and 2 shown on the statement, would travel by that route. Assuming a minimum loss of 1d. per mile on each passenger—that is the second-class ordinary single fare without any war charge—the loss to the Department in the way of passenger revenue would be £10,982. Then there are 8,413 trucks of sheep on which you would lose 3s. 9d. per truck—that would cost £1,577; 1,060 trucks of cattle at 3s. 9d.—that is about £200; on 82,000 tons of merchandise at 2s. 6d. per ton the loss would be £10,250; on 11,500 tons of minerals at 7d. per ton the loss would be £335; and on 11,673,200 ft. of timber at 1d. per 100 ft. the loss would be £500. Then you have the interest on the capital cost of your railway, which for the moment I will put down at £400,000. The Engineer said it would cost £500,000; so £400,000 is the bedrock minimum. At 3¾ per cent. that is £15,000. There will be additional train-mileage, which must be run to serve the local district or intermediate district between Marton and Levin. If we divert the expresses and one goods-train only there will be from 80,000 to 116,000 additional train-miles. For the purposes of this calculation, I am taking 80,000 miles only, and assuming the cost to be at 6s. per mile: that is £24,000.

183. *Mr. Myers.*] In estimating that number of train-miles you say you have taken into consideration that a certain number of expresses would be diverted ?—Yes, I am taking the minimum diversions.

184. How many expresses ?—Two Auckland expresses each way—four a day.

185. You have taken into consideration the question of diverting the New Plymouth express ?—No, because the New Plymouth express carries a very large number of people for districts between Levin and Marton. If we divert that train the position is going to be very much worse. The more trains we divert from the present line the greater the increase in train-mileage, and the worse the financial position is going to be.

186. You are assuming that there will be diverted four expresses—four expresses to and from Auckland—and one goods-train ?—Yes; two expresses, one goods each way.

187. Are there any more items ?—Yes, provision of additional men to man the line and the tablet stations. We would require to open six or seven new tablet stations, with at least two men for manning each, together with surfacemen and gangers for the maintenance of the track. I reckon you would want thirty-seven additional men for those services. The additional staff would cost £6,000 at least. That is for the intermediates. Then there are additional junctions: additional staff must be provided for them; additional work has to be performed. You cannot establish junctions equipped with proper interlocking and additional safety signals and appliances without having additional staff; and I reckon that by the time provision is made for Levin and Marton, without being in the least extravagant, another five men will be wanted there. Put that down at £700 a year. That is roughly £70,000. That is the loss resulting from diversion of traffic, increased train-services, and additional interest charges on new capital expenditure.

188. Are those figures in any way exaggerated or are they on a bed-rock basis ?—I have no hesitation in saying that in practice the actual working results would be far in excess of that.

189. You have taken the lowest possible estimate, in your opinion ?—Yes, absolute bed-rock.

190. You will have £70,000 a year to make up ?—Yes, at least that.

191. How are you going to do it—or are you going to do it ?—There is no question as to what we shall have to do.

192. Can it be done ?—It is a business proposition. There is only one way to do it—to raise the rates.

193. Is there any increase in traffic that you can expect ?—Absolutely none.

194. Are we to understand that in your opinion there would be a dead loss of £70,000 per annum ?—Yes, that is my opinion.

195. Is there anything else that you wish to say with regard to the question of the deviation of the line from Levin to Marton ?—I say definitely that so far as the working of the traffic is concerned

the line is absolutely and utterly unnecessary at the present juncture. The existing line between Marton and Levin is capable of carrying—when we have finished the deviation and alteration of the gradients at Kakariki—all the traffic in sight for many years to come. There is absolutely no justification at all for incurring the expenditure, which can be put down at anything up to half a million, and perhaps more, for building the Marton–Levin line at the present time.

196. You say that the construction of this line would involve the Dominion in the loss you have mentioned. Are you able to say whether there are any other lines, either in course of construction or in contemplation, which could be completed or constructed and worked at a profit to the Dominion ?—There is no question that what ought to be done is to link up the unfinished main lines. That is the first thing that ought to be done if money is going to be spent on railway-construction. If funds are available they ought to be spent in joining up the uncompleted main lines and completing lines already partly made.

197. *The Chairman.*] What do you mean by that—joining up the main lines ?—Take the district north of Auckland : there are broken sections on the Main Trunk line there. There is a line from Stratford to junction with the Main Trunk line at Okahukura : that is under construction. There are a number of other lines in both North and South Islands on which considerable expenditure has been incurred, still incomplete, and from which there is a good prospect of obtaining new and payable traffic, and they certainly ought to be finished before any other new lines are undertaken. Experience in this Dominion and elsewhere has proved that it is not a payable proposition to have a lot of disjointed lines. Another line which I consider must be built—it is the point where all our future difficulties are going to occur—is the line between Paekakariki and Wellington. There is no use building the Levin–Marton line providing a railway which would enable us to take a lot of traffic into Paekakariki that we absolutely could not clear under existing conditions, and there is no chance of increasing the capacity of the Paekakariki yard.

198. *Mr. Myers.*] That is, assuming you did get extra business in consequence of the construction of this deviation ?—That is right.

199. I think in Mr. Hiley's report of 1914 there are works which he, as head of the Department, considered necessary, and which involve an expenditure of something like three millions and a quarter ?—Yes, that is right.

200. And the programme was that that work should be done within—how many years ?—Five years.

201. Has much of it been done ?—None, as a matter of fact—the works have had to be held up because there are no funds available.

202. Is it considered by the Department that those are the most pressing requirements in connection with the construction and working of railways ?—Unquestionably they are. We have quite a considerable congestion at a number of our main-line stations, and new stations and increased accommodation are badly wanted. They are important stations, and the works proposed are things that are required to give actual facilities that are necessary to enable the business to be efficiently and economically carried on, but they cannot be provided because we have not got the money. I look upon this proposed Levin–Foxton new line as a luxury which can stand over for half a century.

203. I suppose the country might advance to such an extent as to make it necessary before then ?—It might, but it will be quite a long time—many years—before it will be wanted, and it will not be justified till other parts of the Dominion have been provided with rail-connections.

204. We have heard a suggestion which Mr. Skerrett made, that within five years the line between Palmerston and Marton will have to be duplicated. Is there anything in that suggestion ?—No, that is not within the limits of possibility, in five years. If it were necessary to increase the capacity of the line, supposing we had a very much larger business in sight than we have now, we could do that by simply shortening up the tablet sections or lengthening the crossing sidings and making loops a mile, two miles, or three miles long.

205. You said that if you diverted these Main Trunk expresses there would be a considerable increase in the Main Trunk mileage on the section between Palmerston and Marton ?—Yes.

206. Take the alternative : supposing you did not increase the train-mileage, what would be the result as far as the passengers are concerned who require carriage between Auckland and Marton, and Wellington and Levin, and the Hawke's Bay traffic ?—The infliction on the passengers travelling on fast trains of so much inconvenience and hardship in the way of transhipment and delay that the Department would not be able to maintain its attitude for five minutes.

207. Is there anything else you think you should add with regard to this question of the suggested deviation ?—You are speaking of the new line ?

208. Yes ?—No, I think not. It is a luxury.

209. I want to come now to the question of connecting the Sanson Tram with the Main Trunk line at Marton or Greatford : what have you to say about that ?—Well, in the first place the Sanson Tramway is regarded by the Department as a private siding pure and simple, and as such the Department is not disposed to give another connection at Marton end.

210. Do you know for what purpose the promoters of that tramway said the tramway was required ?—Yes ; it was constructed under the Roads and Bridges Act, 1882, and the main purpose was to enable the county to get gravel. It was pointed out that the country was very sandy, that it was very difficult to get gravel for metalling roads, thereby making the cost, construction, and upkeep of the roads prohibitive, and the tramway was to be utilized for the purpose of getting gravel for road-construction. That is shown on the file. After the line was constructed application was made for a junction with the Foxton branch at Himatangi. The line was built of 28 lb. rails taken out of the old Duntroon Branch, and the General Manager at that time pointed out that a line of this character should not be allowed to junction with the Government railways—that ultimately it would become a

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.

224. Even with all that competition they do not seem to have made very much in the way of profit or interest on capital ?—As a matter of fact, if you take into consideration the interest on capital they have made a loss. Deducting from the receipts as furnished by Mr. Drew the expenditure incurred in connection with relaying and some improvements which are included in the expenditure given by him, they have a net revenue of £2,800 for the nine years. Out of that they have to pay interest on capital cost, which I understand is £25,000. The fact remains, then, that they have not made 1 per cent. on the capital cost of the line. If that is the position with a private siding at one end from which we were not going to have any competition as far as we understood, what must be the effect of giving them a connection at the other end and making out of a private siding, which is now a dead-end, a loopline that is to form the shorter route to the port ? It is going to draw our traffic from the Main Trunk line to that port, thereby decreasing the earnings of the State railways for the benefit of a competing line using our rolling-stock, but it is doubtful whether their net earnings will increase.

225. I want you now to bear this in mind : this County Council talks of extending this tramway at a cost, so far as junctioning with Marton is concerned, of £20,000. In addition to that Mr. Maclean has told us that the cost of the junctioning would be anything up to £1,500 or £2,000. As a railway man I suppose you will say that the extension of the line means a corresponding increase in working-expenses ?—Undoubtedly it means an increase in expenses : they will have an increase in their working-expenses and interest on capital, but shorter haulage on a considerable portion of the traffic will decrease their earnings.

226. Are you able to see, having regard to their returns of traffic for the past years, how they can possibly make up that interest on capital and increased working-expenses except by competing with you at lower rates ?—No, I cannot. I cannot see any possible chance of their bettering their financial position. In the net result of operating I do not see that there can be any improvement.

227. Do you bear in mind the fact that their present income from their present traffic would be reduced in consequence of their carrying a certain quantity of their goods down from Marton perhaps to Sanson instead of round through Himatangi, so that they would be carrying the same goods a shorter distance ?—If what I was told in the district is correct, and if what I have understood as to the destination of the main portion of their business is correct, then they must suffer considerable loss through carrying the shorter distances. The traffic for Bull's, for instance, which is considerable, would not go as far as Sanson.

228. So that they would have to make up that loss in addition to making up interest on the increased capital expenditure and increased working-expenses ?—That is so.

229. You have told us how it would affect the Government railways at the Himatangi end. Will you tell the Commission how in your opinion it would affect the traffic at the Marton end, as regards the Main Trunk traffic, the Palmerston–Marton traffic, and the Wanganui–Marton traffic ?—Well, in the first place, looking at the Sanson Tramway as a tramway, I hold as a matter of principle that a line of that kind should not be allowed to junction with a Government main line.

230. *The Chairman.*] You had better make it clear what you mean when you use the word "junction." We have had three kinds of junction mentioned—first, what is called a siding ; second, an actual junction so that the vehicles from one line can run on the other ; and, third, what are called running-rights ?—I am talking of an actual physical connection.

231. *Mr. Myers.*] When you speak of "physical connection," do you mean any kind of actual physical connection, whether you call it a "junction" or a "siding" ?—I mean a connection with a siding.

232. *The Chairman.*] So that trucks can run from the one railway system to the other ?—Yes. If you allowed a siding into our yard and allowed the tramway to join up—to make a physical junction at that siding—and run into and interchange the traffic, we would have to provide for the signalling, shunting, marshalling, receiving, and delivery of every item of traffic that finally goes on to their line, because we would not, at an important junction like Marton, allow the county men to turn a set of points in the yard. The safety not only of the county trains, but of every one of our own trains would depend on our having efficient men in charge of the operations.

233. You think that this tramway would then be equivalent to a small railway, and there would therefore be danger ?—It would at once become a loopline giving connection between two sections of the Government railways. Such a line should be in the possession of the State.

234. *Mr. Myers.*] But is the line such a line as could be taken over by the State ?—I mean the loopline. I am not speaking of the Sanson Tramway. So far as the present tram-line itself is concerned, it is totally unfit to form part of a railway. Supposing we permitted that connection, the first thing that would happen would be an agitation for the State to take it over and completely rebuild it to the standard of the Government trunk lines.

255. When you say that, have you in mind a portion of their statement or memorandum put in by Mr. Kensington [see page 94] on behalf of the Marton County Council—paragraph 16, where it states, "Particular emphasis is laid upon the fact that no local body is asking for the construction at present of the Main Trunk national deviation, but they are urgently pressing the acquisition by the Government of the proposed through line, feeling certain that in a very few years the public will demand that the new line be made" ?—I have that in mind, as well as other similar statements made by persons interested in this tramway in the correspondence that has taken place with the Department. This proposed connection is not a new matter ; the agitation has been going on for years.

236. But you started off by saying that you objected on principle to a loop line of this kind being owned by any one except the State and connecting with the State lines ?—Yes. We have in the history of New Zealand railways one or two instances where district railways have been constructed —for instance, there is the Waimea Plains Railway. When that line was constructed it was managed

by district railway people. There was endless trouble, frequent delay, constant complaint, and ultimately a demand that the Government should take it over, which the Government properly did. Then we had the Duntroon–Hakataramea Railway. It always ends in the same way. At the time the Manawatu line was constructed the Government were not in a position to finance it, but ultimately purchased it. In regard to the running of the tramway to Greatford or Marton, the Department have already told the County Council that it cannot object to that and does not object to it, but the Department would not agree to connection with the Government line. We were told at once that unless the connection with the Government line was made, which would obviate the necessity for the transhipping or handling of goods at Marton or Greatford or Kakariki, wherever the junction was, it would be useless to the County Council. Transhipping under any circumstances, either from a broad-gauge railway to a narrow-gauge railway, or two lines of the same gauge, is neither satisfactory nor profitable to the railway people. In Victoria, where they have light lines coming into stations and connecting with their broad gauge, they find the cost of handling the goods is out of all proportion to the revenue received.

237. Are you speaking of what we call terminal sidings?—Yes. In Tasmania the main-line railway was originally 3 ft. 6 in. and the original Government line 5 ft. 3 in. They junctioned about twelve miles from Launceston, and all goods had to be transhipped. In that case the company were glad to enter into an arrangement which permitted the narrow-gauge line to lay a third rail on the broad-gauge line for the purpose of running the narrow-gauge rolling-stock over it.

238. The transfer from one truck to another being expensive?—Yes, and unsatisfactory in every respect.

239. What do you say as to the question of a terminal siding for this tramway into the railway at Marton?—I do not consider that such a siding should be allowed: it would only be a beginning.

240. Have you anything to add to what you have said with regard to that particular question?—No. If you have a siding there are the same objections as to a dead-end.

241. *The Chairman.*] Supposing the siding was simply a siding proper and not a loop line; supposing you had a terminal siding, with the provision that on that siding nothing was to be run except goods to be used in the district?—We would still have to incur expense.

242. But supposing you charged for it?—Unfortunately, we do not always charge for those things. The railways referred to in the Act, I take it, are railways that will be built under the District Railways Act, and in it provision is made for the Government ultimately acquiring the line.

243. You could make that condition with the siding in the same way?—This is not the kind of line we desire to acquire.

244. Supposing you had a mere terminal siding, how could you be affected if you restricted it to goods only to be used in the district—supposing you had a parallel line running alongside?—It would create a state or condition that would end in a very short time in an actual physical connection being made, and no restriction of business could be maintained; but, further than that, this district is already well served by a Government line on the one side, by the Sanson Tram, and by good roads, and there is no necessity for any extension of the tram to the railway-line.

245. *Mr. Myers.*] Quite apart from what may ultimately happen, do you think it is in the interests of the railways, or to the convenient working of the railways, that there should be this connection or parallel siding?—No. I have already stated that any connection made would involve the Railway Department in additional expense, and it is, moreover, unnecessary.

246. Referring to the question of a junction again, I had asked you to state how the traffic would be affected as between Wanganui and Marton, the northern Main Trunk towns, and Palmerston and Marton?—The effect of the junction would be to shorten the distance by railway between Foxton and Marton, and bring Marton three miles nearer to the seaport of Foxton than it is to Wanganui. Wanganui has a large traffic, and all the facilities are there for dealing with a large traffic. There is a liberal train service for the business that is done there, and the Department considers it should retain its own business. The Department should not give facilities for diverting from its own line traffic that we have already got. Assuming there was a diversion of business, you would have a difference in freight of from 9d. to 2s. per ton on goods, according to the classes they belong to, that is going on the assumption that the Government scale of rates and Government classification is adopted; but as we have already seen, the Sanson Tramway does not apparently adopt the Government classification in regard to benzine. If the classification were not adopted, the difference in freight as against Wanganui would be greater, and we would see competition via Foxton and Sanson Tram against the railway at Wanganui.

247. In whose favour is the difference in freight—Wanganui's or Foxton's?—It is in favour of Foxton.

248. *Mr. Hannay.*] I understand you to say that if the tramway were continued to Marton, even with a parallel junction, all Marton traffic would go to Foxton?—I should expect that as a natural consequence. We know that the steamer to Foxton makes a rebate in rate of 2s. per ton in favour of the sea-borne goods that are to be railed inland, as against ship's goods for local delivery at Foxton; and I should expect when it came to the question of competing with Wanganui that they would probably cut the steamer freight still further, and that would increase the advantages of the Foxton route.

249. *The Chairman.*] But the steamers at Foxton will not have for years and years to come anything like the facilities in the harbour that they have at Wanganui?—Yes, that may be so; but we have already been told by the steamer people that if the freight was there they would put on other boats. They have now only the "Queen of the South," but if they put on another boat like the "Queen of the South," running an every-day service, they would take a lot of traffic away from the railway at Wanganui.

250. *Mr. Myers.*] And you say they could go along the Sanson route, and so take away the business from the Government railway ?—I should certainly expect the goods to go that way.

251. We have heard a good deal about the cartage of grain and chaff to a railway ?—Yes.

252. And some witnesses have been asked about motor-wagons and motor-lorries. Have you found that people can carry their goods a considerable distance to the railway in motor wagons and lorries ?—My inquiries show that they not only can but do carry them in motor-lorries. I am advised by the Stationmaster at Feilding and the Stationmaster at Greatford that motor-lorries are used regularly on the road.

253. What has your experience in the South Island been in that connection ?—They used to cart goods from Palmerston South to Naseby.

254. *The Chairman.*] Oaten chaff was the main thing talked about ?—They cart chaff in the Taieri district for long distances and in Southland. I have known them cart as far as ten miles into Winton and Edendale.

255. *Mr. Myers.*] Is there anything further you can add, do you think ?—I do not think so.

Cross-examination re *Foxton Wharf.*

256. *Mr. Weston.*] With regard to the price you asked the Harbour Board, you are quite willing to sell the wharf to the Board at that price ?—The Railway Department as a department has no desire to sell the wharf.

257. But if you got the price that you asked—£28,000—would you be satisfied at the present time ?—No, I should want more money now.

258. I may take it that that letter that has been put in, dated the 20th May, 1913, and signed by Mr. Herries, you know of ?—I have seen it.

259. You say you have a legal right under your regulations to charge a haulage rate of 1s. 6d. ?—Yes, for haulage and handling.

260. On all cargo hauled from the wharf and handled ?—On all cargo that is dealt with in the same manner that the ships' traffic is dealt with at Foxton.

261. That means that on all stuff that pays 2s. wharfage, with the exception of hemp and flax, you are entitled to 1s. 6d. a ton ?—It does not mean anything of the kind.

262. Well, what does it mean ?—I have already endeavoured to make it perfectly clear to the Commission that we perform certain services of an intermediate character between the receipt and the loading of the goods in the truck at the ship's side and the final despatch from Foxton to the final destination, and it is in respect of that intermediate service, which constitutes handling and haulage that used to be called "port haulage," we are entitled to charge the 1s. 6d.

263. Then, suppose we got the wharf to-morrow and you handled the cargo as you are doing at present, what would you expect the Board to pay ?—For what ?

264. For handling the cargo as you are doing at present; for what you are doing now for the 2s., what would you expect the Board to pay ?—I should expect the Board or consignees to pay the handling and haulage charge—that is, 1s. 6d.; and if the Board wanted the Department to work its wharf it would have to be done by agreement.

265. We would have to pay that anyhow, and in addition we would have to pay you 1s. 6d. a ton ?—No, you would have to pay us for that service at the ship's side at whatever our expenditure on the wharf came out per ton. It would probably be 1s. a ton, but it is a matter that would have to be gone into.

266. In addition, what would we have to pay ?—Then somebody would have to pay 1s. 6d. haulage and handling.

267. So that instead of your getting, as at present 2s. wharfage, you would be getting from us 1s. a ton, plus 1s. 6d. ?—We might.

268. That is within your legal rights ?—That is within our legal rights.

269. So that when you offered to sell us the goodwill of this concern on the basis of making £1,500 a year, you did not disclose that you were entitled to charge us 2s. a ton haulage ?—I do not think there is anything in that; as a matter of fact, there is absolutely nothing in it.

270. Why not ?—The Railway Department, when competing with the Manawatu Railway Company at Foxton, and feeding the Port of Foxton, if you like, decided to waive that charge, and it has never been imposed since, so that it does not affect the position.

271. Who waived it—the Railway Department ?—Yes.

272. And I suppose the General Manager of Railways could impose it again to-morrow ?—Yes, and by the same authority.

273. Is it a right thing that in this Dominion a departmental officer has the right to waive charges like this at his own sweet will ?—It is according to the Act. The Department is given statutory power.

274. Supposing we had paid you £28,000, what would have been our position in regard to this 1s. 6d. for haulage ?—I have not said that we would charge the Harbour Board.

275. You threatened it this morning ?—Oh, no, I did not threaten the Board with that.

276. Now, with regard to your own figures, I notice from this correspondence which you have produced this morning that in 1877 Mr. Maxwell claimed that the Department were making out of these wharfages a profit of £600 a year. Is that so ?—I am not sure that he said "profit." He did not say "profit." He said that it would mean a loss of revenue of £600 a year. That was the total revenue.

277. It shows that you were making a substantial profit, then, on the wharf ?—No, we were not. Mr. Maxwell approached the matter from a Railway point of view. He said that we were getting a revenue of £600 a year and were not going to give that away.

278. The amount that you would have to spend in labour in connection with wharfages and services for which you charge would show a net profit ?—Not at all.

279. Why was Mr. Maxwell complaining ?—He said we would show a loss of £600 a year. Supposing we were showing a total revenue of £1,000: it might not be a profit.

280. In 1901 I find that your revenue was £1,163 13s. 1d. and the expenditure £594 1s. 4d., leaving a profit of £569 11s. 9d. For the previous year it was £1,244. Until you get back to 1893 the revenue was never less than £829 19s. 9d. ?—Yes, that is so.

281. May I take it that back to 1893 you were making a profit of from £300 to £400 a year ?—No, I am not prepared to admit that at all. I made it perfectly clear when I put that statement in that the information beyond 1901 was incomplete. Therefore I am not prepared to make any admission in respect to information I have not got.

282. Would it not be a reasonable inference that when the income is the same and you show a profit, the previous profit would be almost similar, unless you had any extra expenditure ? Is there any reason why the expenditure would be greater ?—There is just as much reason for your supposition that a profit was being made.

283. Would you say that the expenditure was more ? Was there any work done to the wharf ?—I could not say.

284. Can you tell us whether, between the period 1890–1900, there was anything spent on the wharf or dredging ?—No, I could not tell you that.

285. Have you any reason to think there was ?—The dredging and repairs to the wharf are under the control of the Engineer. If you had wanted to know that you should have asked him.

286. Now, with regard to the Neslon wharves, they were reconstructed a short time ago, were they not ?—The Nelson Wharf was built probably a little more than four or five years ago, but I am not sure of the date.

287. Do you know what endowments the Nelson Harbour Board have from the Government ?—No, I cannot tell you.

288. They have some very valuable endowments have they not ?—Yes, I believe they have.

289. Have you control of the whole of the wharves there ?—Yes, as far as I can make out.

290. And the railway from Nelson to Tadmor is only producing 12s. per cent. on the capital cost ?—That is the net revenue.

291. You are putting a railway through barren country in order that it may go down to Westport ?—That is a matter upon which the Minister of Public Works could give you information.

292. It is going through unpayable railway country now ?—Yes.

293. So that the shipping public at Nelson have to make up the loss, in order to get the railway into the Tadmor country ?—No. The shipping companies that send boats to Nelson have to pay for services rendered and facilities provided. The wharfages at Nelson pay about £1 0s. 3d. per cent.

294. But the wharfages on the capital cost of the wharf give you a return of about 10 per cent. ?—Yes, about that. There is no reason why they should not.

295. With regard to Onehunga, what was the original cost of the wharf there—have you any idea ?—No, I have not.

296. I take it that you sold the wharves fairly cheaply ?—They were disposed of at what we considered a fair bargain.

297. But you did not fix the bargain as on a goodwill ?—That is one of the instances that we could quote to prove that we would not sell on our net results alone, and we did not.

298. You fell back on the actual cost ?—Oh, no. We got about £8,000.

299. Did the wharves cost more than that ?—I do not know what they cost. They were not worth much when we handed them over.

300. You were pleased, from the Department's point of view, to get rid of them ?—Exactly.

301. And you gave the Board time to pay that amount, with interest ?—I do not know. I do not think we did.

302. Mr. Hennessy says that the amount was £3,000, and you gave them three years to pay it in ?—Oh, no; I do not think so. But I will look it up and see.

303. I have run through last year's exports and imports at Foxton, and I find that about 30,000 to 40,000 tons of cargo were exported and imported. You seem to be frightened of competition with the Wellington–Palmerston Section ?—I am not frightened of that competition.

304. You think you can hold your own ?—Pretty well.

305. So that is not colouring your attitude throughout these proceedings ?—No, not at all.

306. Could you tell me the tonnage hauled, say, over the Paekakariki–Wellington Section in a year ?—Yes, roughly; but you do not suggest that the traffic that originates at Auckland and Rotorua goes in there ?

307. No. What is the amount of stuff that goes into Wellington and goes out of Wel ington ?—Well, as a matter of fact that return of which you have a copy will give you pretty nearly what you want.

308. May I take it that 30,000 or 40,000 tons to handle is a mere bagatelle ?—I am assuming £1 per ton, and that is not a small amount.

309. What are the total gross earnings of the Main Trunk and branch lines of the North Island ? Is not this traffic to Foxton a twopenny-halfpenny thing ?—No. It is not what the present traffic is—it is what the traffic is going to develop into.

310. But it will be some years before they can get the scheme under way ?—You will have to get a special Act to borrow.

Mr. Myers: We say it will not happen.

311. *Mr. Weston.*] What do you expect the traffic from Paekakariki to Wellington to grow to, say, in the next ten years?—At the rate of 8 per cent. to 10 per cent. per annum.

312. So I may take it that the traffic over the section Palmerston North – Wellington will double in the next ten years?—It might.

313. And do you consider that it will be a difficult matter to handle that amount of traffic on the Paekakariki–Wellington Section, which is like a bar to a harbour?—Long before that happens we shall have our duplicated line from Wellington to Paekakariki. We shall have to, if what you say is correct.

314. If more traffic goes to Foxton by sea than by the Wellington – Palmerston North Section, you will be able to put off that big capital expenditure?—No, we will not. You said that £40,000 was not worth taking into consideration.

315. But you told me it was a big thing?—No, I did not.

316. Is it a small proportion of your traffic, or something to take into consideration?—It is certainly not a large proportion of the traffic, but it has to be taken into consideration all the same.

317. I may take it that the loss of traffic like that would be made up in the next two or three years with natural growth?—I am not prepared to admit that it will or will not.

318. You are the Manager of Railways, and I suppose you know. Would it be made up by half?—I am no more capable of seeing into the future than you are.

319. If things go on as they have gone in the last five years, will it be made up?—We certainly expect that there will be a development and that we shall have an increase of traffic, but I cannot say how much. It depends on other influences.

320. I desire to draw your attention to two things in Mr. Hiley's report. In the difficult section between Wanganui and Marton what bad grades have you?—The ruling grade is 1 in 35.

321. And the grade when the deviation is made at Kakariki will be—what?—It will be a good grade: 1 in 70.

322. So that the running-facilities from Foxton to Marton by your line will be better than from Wanganui to Marton or from Wellington to Palmerston?—The grade will be better when that is finished, yes.

323. Do you disagree with what Mr. Hiley states in his report about Paekakariki—namely, "Between Palmerston North and Paekakariki (sixty-one miles) the existing gradients are easy, the ruling grade being 1 in 100. Between Paekakariki and Wellington (twenty-seven miles) the load of south-bound trains is governed by a grade of 1 in 53, and north-bound trains by a grade of 1 in 35 out of Wellington. The capacity of this portion of the line is already very heavily taxed, and a means must be found at an early date to relieve the position. No surveys have been made, but an examination of the country and information available indicate that it would be feasible to obtain an outlet for the Wellington traffic with a ruling gradient of 1 in 100 between Wellington and Paekakariki by partial deviation of the line, duplication also being necessary. To duplicate the existing line, retaining the heavy gradients, would be a mistake if a grade of 1 in 100 can be obtained by deviation at reasonable additional cost, in view of the large saving in operating-expenses which would be effected thereby. Although I have not included this work in the scheme of improvement to be undertaken immediately, because more urgent matters must have precedence, I bring it under notice in order that the project may receive consideration and the country may be surveyed and reliable estimates prepared in readiness for the time when the work must necessarily be put in hand. There is no gainsaying the fact that the existing means of getting traffic into and out of Wellington leaves much to be desired. . . . Statistics have been compiled to arrive at the extent of the present accommodation, the amount of traffic now being handled, and the growth of business, and it is evident from these records that if the rate of increase of recent years be maintained at Auckland and Wellington the railway traffic offering in eight years' time will be double what it is now, whilst the rate of progress beyond that period may be expected to be at least at the same ratio." Do you agree with that?—Yes.

324. Is it not rather a bogey of yours that this competition of Foxton is likely to have an effect on the railway?—No, it is not a particular bogey of mine; it is one of the things well known to every railway man.

325. We have figures here showing the gradual growth since you took over the Manawatu line?—Yes.

326. Then you say you dealt fairly with the seaport?—I did not say anything about the seaport. I said we cancelled all the Manawatu special and competitive rates that had been used by the company against the sea-route via Foxton.

327. You see the rate of growth there has been—outside of hemp and flax it has barely doubled?—Yes.

328. What is your trade on the railway between Palmerston North and Wellington in eight years: has it trebled itself?—I should not say so.

329. Has it doubled itself?—I have not looked at the particular traffic between those two stations.

330. I may take it there has been a very large increase?—I am not prepared to admit that. There has been some increase; but you have got to remember that there is a considerable inland and sea traffic now which was not there before, and that is not traffic originating from Palmerston.

331. But that section is working to its utmost capacity at the present time?—No, it is not.

332. Mr. Hiley in his report says it is very heavily taxed?—He does not say anything of the kind. He says between Paekakariki and Wellington; and I have already emphasized twice to-day that one of the first things we should spend money on is duplicating the line between Wellington and Paekakariki, or find some other way out.

333. How long is that going to take? You have first to find a way of getting out?—That does not follow.

334. With regard to the handling at Foxton, Mr. Kellow says that 50 per cent. of the hemp and flax shipped there does not go by rail. Do you disagree with him ?—No, I have no local knowledge of that.

335. Would you be prepared to take his figures ?—Yes.

336. With regard to that, he says that your Department does no handling at all ?—Of course, he is assuming there that the stuff goes into his shed. If it does go into his shed we do not handle it.

337. You get 3d. per bale on that, which is about £600 a year, and for that you do no work at all ? I do not know what we get out of it. I do not know what the revenue from flax is; but assuming that his figures are correct, that would be so.

338. And you do not do any work for it ?—We do not actually handle the stuff; if we did we would charge 3d. extra for handling it.

339. Although you are collecting the wharfage ?—Yes.

340. I understand that wharfage is covered in the handling ?—It is all in the tariff-book here. Under the Act, where a railway-line abuts on a river we are entitled to make the charge.

341. As a matter of fact, you did not even go to the expense to deal with it: the work was done by private enterprise ?—We did not ask them to put up the wharf: they did it on their own account.

342. But did they not approach you, and did they not have to put up the shed to deal with the flax and hemp ?—No, they put up the shed because they wanted to dump the stuff up there. If Levin and Co. were to ask us to put a man in their shed to handle all the stuff, we should charge them 3d. per bale.

343. I understood that you were supposed to do something for this wharfage ?—The charge which Levin and Co. pay to us is made under a clause in the agreement. It comes under clause (*f*).

344. What rent is reserved under that for the land ?—£40 a year.

345. What is the £40 paid for ?—£40 a year for the site.

346. And what capital value do you put down the site at ?—I am not sure that it is fixed on the capital value at all. £40 a year was considered to be a fair rent for the site.

347. And in respect of the right to put the wharf there they pay you wharfage in return ?—They have to pay us the tariff rates for wharfage.

348. In regard to these returns of expenditure, how many men have you at the Foxton Station ?—There is a Stationmaster, a clerk, two cadets, a guard, and two porters.

349. Would the porters be allowed in the goods-shed ?—They would, certainly.

350. And then you have twelve casuals. Are they employed every day ?—They are employed according to the traffic. There is no permanent casual up there.

351. On the railway between Foxton and Longburn how many Stationmasters or porters have you ?—About three tablet-porters.

352. How many trains, luggage and passenger, do you average on the Foxton–Longburn line: would you average two trains a day ?—No, I do not suppose we would.

353. So that with that staff you only handle two trains out and two trains in per day, for goods and passengers combined ?—Yes.

354. How many more trains could you handle with the same permanent staff ?—It would depend entirely on the amount of business.

355. Supposing in connection with the harbour that we imported double the quantity of cargo that there is at present, putting the cargo into the goods-shed, would your present staff at Foxton be able to handle the whole of that cargo ?—No.

356. Would you have to increase the number of the permanent staff ?—Yes.

357. How many more trains would you require per day ?—It is not a question of trains: it is a question of increase in the shipping business. There are twelve men now, and if we had double the shipping business we should require double the staff.

358. Putting the shipping business aside, supposing the Harbour Board put the stuff into your shed, could you handle it with the same staff ?—No. When you increase the business you have to increase the permanent staff.

359. With regard to coal, you said you stopped bringing coal in in 1909 ?—No, I did not say that. I said we stopped regarding Foxton as essential as a point from which to supply our depots on the north main line.

360. Can you say how many tons you imported in 1909 ?—About 9,000 tons.

361. That is for the year ended 31st March, 1909 ?—Yes.

WELLINGTON, THURSDAY, 1ST JUNE, 1916.

RICHARD WILLIAM McVILLY further examined. (No. 49A.)

1. *Mr. Weston.*] I was asking you about Government coal imported into Foxton. You supplied me with this return, which I now put in?—Yes. [Return put in—Exhibit M. See p. 191.]

2. That is made up to the 31st March in each year, the same as the returns of Mr. Kellow?—Yes. That is a statement of coal for the Department landed at Foxton for each year from 1905 to 1916.

3. The Foxton – Palmerston Branch is treated for book-keeping purposes as part of the North Island branches?—Yes.

4. And I find that for the year ending 1915 the total revenue derived from those lines was £2,166,669, while the expenditure was £1,535,137 3s. 7d.; so that the net profit you made on these lines for the year 1915 was £631,531 19s.?—Yes, profit on working, but not net profits. That is the difference between the cost of operating and earnings.

5. Would not that show net profits? You never consider the interest on cost of construction in your accounts—everything goes into the consolidated revenue?—Yes, we do.

6. You do not show a return debiting yourself with 3½ per cent. on the capital and trading balance above that as net profit?—We do not debit the interest in our accounts at all.

7. *The Chairman.*] In some railway systems they do, do they not?—No; in railway accounts they keep a separate Loan or Capital Account, and then at the end of the year they show their interest charges on loans as so-much, and their net earnings are equal to so-much per cent. We do that in the abstract, although we have not a Capital Account.

8. *Mr. Weston.*] On these particular North Island Main Trunk connections you made what we may call a profit of £631,531 19s.?—It is not a profit.

9. What rate of interest did that represent on the total capital cost?—£4 7s. 1d.

10. Is that last year?—Yes.

11. And I think that, with the exception of the small Westport coal line, that was by a long way the highest percentage of all lines in New Zealand. You say if you lose the wharf you lose about £1,700 net profit in the year?—It is very much the same as a small hole in the bottom of a bucket full of water: it leaks out a drop at a time, and you very soon empty the bucket.

12. The traffic on the Manawatu Section that you took over was growing prior to the Government taking it over?—Of course, I was not managing the Manawatu line.

13. But I suppose you were keeping a close eye on it?—I was seeing, as far as I could, that the Government got as much of the traffic originating on its own line as possible.

14. But as a Government official you would keep a constant eye on the earnings of that line?—Yes, but I am not going to discuss——

15. But did it show a steady increase during the later years of the Manawatu?—I am not going to discuss the management of the Manawatu. It may be a matter of common knowledge that it was an expanding business, but I am not going to discuss the management. We regarded it as part of our business to keep the traffic up on the Foxton side.

16. The Manawatu Company's traffic grew steadily with the natural development of the district—that is a matter of common knowledge?—Yes.

17. Can we take it that since the Government took over that section the traffic has steadily grown?—No. I am not prepared to admit that the local traffic on that section has grown considerably. There has been some expansion certainly, but not to the extent you infer.

18. But can we say that 20,000 tons more goods have been carried per year in a period of three years?—I am not prepared to state what the increase in the traffic in that locality has been.

19. I mean the traffic from stations to and from Wellington to all stations between Wellington and Palmerston North?—There may have been some increase, but I am not prepared to state the extent of the increase at the present moment.

20. But there has been an increase?—There may have been.

21. Can you find out?—Yes, I will. I will be very pleased to find out.

22. Now, with regard to Wellington, in these returns you say that at these various stations you show the goods from the different stations?—Yes.

23. Does that represent inwards and outwards traffic?—Both inwards and outwards.

24. You were saying with regard to Wanganui that the Borough Council had to take the wharves over subject to a debt of £20,000?—I said in respect to Wanganui that the Corporation purchased the wharves from the Provincial Government, who built them.

25. That also included the bridge that was built over the river?—No, I think not.

26. Have you seen the Acts of 1872 and 1876?—Yes, but I have not examined them critically.

27. If you look at that I think you will see that that £20,000 included the bridge?—When the Harbour Board took those wharves from the Corporation they took over the liability of £20,000.

28. They also took over the bridge, and had the right to collect tolls on that bridge?—That was the old drawbridge.

29. Yes?—There was a bridge, but I am not conversant with that.

30. With regard to Onehunga, did you look up to see whether you received £3,000 or £8,000?—Yes. We got £3,000 for the wharf.

31. Then Mr. Hennessy was right?—He was partly right, but apart from that aspect of the matter the deal was a fair one. In addition to that £3,000 the Auckland Harbour Board had to refund to the Government Roads Department £1,500 in respect of roading, and the Railway Department got 30 acres of land at Ann's Creek, up by Westfield, for railway purposes. It is a very valuable piece of land, which we otherwise would not have got. That 30 acres of land was to be partly reclaimed.

32. What do you value that 30 acres at?—I do not know the value. At any rate, it is sufficient for me to state that the Department and the Harbour Board were both satisfied.

33. Did you not take the value of that into consideration?—We took the whole matter into consideration.

34. What value do you put upon it?—I cannot tell you what value was put upon it. The Department at that time was very much concerned about obtaining this piece of land, and we could not have got it but for this deal.

35. With regard to the Wellington wharf, I have got here the first balance-sheet of the Wellington Harbour Board. The Board was constituted in September, 1879, and on the 31st December, 1880, I find that they show in their statement the assets and liabilities of the Wellington wharf and approach at £25,000. Was that the value of the Railway Wharf?—I should not say so. I could not tell you at the present time what the old Railway Wharf cost. [Balance-sheet put in.] The Department there got a very fair deal.

36. The Act vests that wharf in the Harbour Board?—Yes. But the Act also provides that the Railway Department has not to pay any compensation in respect of certain reclaimed land along the front used by the railway, whether taken now or at any future date.

37. I understand you always get any land you require at the actual cost to the Board for reclamation?—We can get that from any Board, but the Wellington Harbour Board, in respect of lines we have laid down over their reclamation along Waterloo Quay, got nothing from the Department.

38. The Secretary of the Board tells me they paid nothing for the land?—It was vested in the Board, but in respect of that land the Railway Department has got the right, in connection with the reclaimed land, to enter on the land and take it.

39. But the Board reclaimed no land prior to that?—We have got a lot of land down the reclamation, and we pay nothing for it. It is a *quid pro quo* provided for in the Act.

40. The Patea wharves were handed over to the Harbour Board for nothing, were they not?—Yes. They were handed over, but I have not been able to trace how they got them.

41. And Waitara got their wharf for nothing, did they not?—No; they did not get theirs for nothing.

42. Here is a memo. from Mr. Maxwell, who was then one of the Railway Commissioners, to the Hon. the Minister of Public Works, dated the 16th June, 1881, dealing with the question of giving up the Foxton Wharf. In it he says, "The handing-over the wharves and wharfages then is this—handing over a certain amount of revenue which either has been or might be Railway revenue, and leaving the Railway to bear the interest on the cost of the wharves as at Waitara, Lyttelton, Wanganui," &c. So the view of the Department then was that they had given those wharves over for nothing?—No, the Department has not.

43. That is Mr. Maxwell's view?—No; that is not Mr. Maxwell's view. That is a distinctly unfair way of putting it. Mr. Maxwell's view was not what those people got. That file you have now, Mr. Weston, was handed to you to look at the letters I turned out dealing with the question we had before us yesterday. I did not hand you that file for the purpose of your making use of our private documents. You distinctly asked me to let you see the letters I had been reading to the Commission, and instead of tearing the file to pieces I handed you the whole file to enable you to peruse those particular letters only. If I had been handed a file in the same manner I would have treated it as a matter of honour and not have referred to private matters in the file.

44. In writing to you on the 12th April, 1877, he says this: "In reply to your letter of the 26th March I have the honour to inform you that I laid the same before the members of the Harbour Board on the 4th instant, when they arrived at the decision that the proposition made by you to hand over the care of the pilotage service and withholding the revenue of the wharf would render further sittings as a Board of little use, as it would be impossible after any date to make an income the outside value of which does not exceed £80 a year cover the expenditure annually required for the pilot service, an item of some £500." What was offered to the Board was the revenue from the pilot service and any other revenue outside wharfage, on condition that they gave up the pilot service. They pointed out to the Minister that they could not, with an income of £80 a year, find sufficient for an expenditure of £500. Then they were offered wharfages and pilotage fees, subject to their giving up the pilot service?—No, they were not. They were asked by the Minister of Customs, "In the event of so-and-so, are you prepared to do so-and-so?" The Minister of Public Works said, "No, this Railway Wharf is an integral part of the railway system, and Government cannot part with it."

45. The other letter you quoted from was one of the 1st March, 1878, from Mr. Seed, Secretary of Customs, to the Board. The first suggestion you turned down?—Their first suggestion was to take the revenue from the wharf, get all they could for nothing, and waive their right to the special charge in regard to pilotage, which they did not want to take over. The next suggestion was that if they could not get the wharf they were not prepared to go on. Then they resigned.

46. There is such a thing as too much zeal. Are you putting the thing perfectly fairly according to the correspondence?—Yes, I put things perfectly fairly.

47. They say they could not keep up the pilotage on a revenue of £80 a year. The letter says, "With reference to the correspondence which has passed between yourself and the Government on the subject of handing over the Foxton Wharf to the Foxton Harbour Board, I have been directed by the Hon. the Commissioner of Customs to state that the Government, being anxious that the management and control of harbours and wharves, &c., should as far as possible be undertaken by Harbour Boards, are desirous of knowing whether in the event"——?—Yes, it says "in the event."

48. "——of your application for the Foxton Wharf"—At that time it was only a small wharf?—No, it was not.

49. You had not completed your work under Saunders's contract?—No.

50. "——and the wharfage dues collected thereon being handed over to your Board they would undertake to maintain it, and to provide wharfage accommodation as may be necessary to meet the growing requirements of the port, and at the same time provide for the cost of and assume the management of the Harbour staff"?—Yes; it tells them about the salaries and about the houses.

51. In the letter in reply they point out the condition of the buildings?—This is the letter.

52. Well, I will read it?—I am quite competent to read it myself.

53. This is the reply from the Harbour Board, which makes it clear that they did not want to take it over: "In reply to your letter of the 1st March wishing to know whether in the event

of our application for the Foxton Wharf and wharfage dues collected thereon being handed over to your Board they would undertake to maintain and to provide further wharfage accommodation as may be necessary to meet the growing requirements of the port, and further to provide for the management of the harbour staff, &c., and in reply I have to inform you that a resolution passed at a meeting of the Board, which I now affix, which I think will be sufficient to show our reasons. That as the proposition as laid before the Board in the letter from Mr. Seed, dated 1st March last, still places the Board in a position so that the expenditure would be larger than the income suggested to be given by making the wharfage tolls a part of the income of the Board, they are reluctantly obliged to decline the proposal, unless the Board could be assured of a similar endowment to what the Wanganui Harbour Board obtained last session. In refusing this the Board is desirous of placing upon record the pressing necessity of increased wharfage accommodation, and that it would be suicidal to accept any proposition by which the Board would be cutting off outside assistance whilst being unable to effect any improvements themselves." That means Government assistance—in that district they had to do so?—What they wanted there was to get better endowments. They started out by asking for the Department's wharf. Then they found the Wanganui people had got endowments, and they thought they had not asked for enough.

54. But does it not show the income they were getting, even including the wharfages and pilotage charges, was not sufficient to do more than pay the costs of the permanent official of the wharf?—No. You said yesterday that you wanted to show from Mr. Maxwell's minute that there was a profit of £600 a year. Clearly, if that is correct, the other statement could not be right.

55. We have not been able to see eye to eye up to now. Can we see eye to eye on this point: you were at Foxton, and saw the condition of the goods-shed?—Yes.

56. Do you think the Foxton people are right in saying that that shed at the present time is insufficient and requires to be enlarged?—If the shed at Foxton and the appurtenances to the railway are considered by the people of Foxton to be inadequate for their requirements, then they can get additions by bringing the matter under the notice of the Department in the usual way; but it is not a fair thing to hang a demand for the railway wharf on a statement—or fact, if you like to call it so—that they regard the goods-shed, which is really an appurtenance to the railway, as being a trifle small.

57. You are handling a certain amount of goods there—whether coming from the wharf or from the outside district does not matter—but do you consider that the shed is sufficient to deal with the goods you are asked to carry? Yes, or No?—I am not going to give Yes or No. I am entitled to give my answer in my own way. If the quantity of goods that come in to be handled at Foxton regularly was anything approaching what was in the shed when I was there then I am quite prepared to admit that an addition to the shed is necessary, and I have no doubt will be provided. But I do not admit that what I saw at Foxton is the kind of thing that exists every day in the year.

58. Mr. Kellow tells us that it is practically the same always?—I have already said that if that were the case always provision would be made.

59. Mr. Kellow says that if you were to make that alteration you would save in working-expenses at least £100 a year?—Mr. Kellow is not in a position to express an opinion of that kind any more than I am in a position to tell him how to manage his own business.

60. That is not fair. Mr. Kellow watches very closely the casual labour you are employing to handle the stuff brought by his company's ships?—If Mr. Kellow is engaged in watching railway business he cannot be employed in watching his own company's business.

61. Have you got details of how you arrive at the expenditure that you deduct from your profits? For instance, last year you say it cost you to work that wharf £1,989 9s. 1d.?—Yes.

62. Can you give me the details of that?—I have already told you—and I will repeat it—that the Department will be very pleased to give you any details as to how that is made up that you may desire or require; but we cannot bring to this building the whole of our documents from which those statements are compiled. I have already told you that if you send somebody to the Chief Accountant's office we will be pleased to place the documents before you.

63. We do not want to go behind vouchers. What I wanted, and what I understand you to suggest that you would do, is this: you should show me how much of that sum of £1,989 9s. 1d. consists of casual labour, and how much consists of apportionment of permanent charges appertaining to the railway?—I will tell you what proportion the permanent charges are. They are £150 a year. The shipping business requires at least one clerk.

64. Does the rest of it represent casual labour?—Yes, except the maintenance-men for any repairs they do on the wharf.

65. And all the rest represents casual labour?—Yes. The main item is casual labour.

Cross-examination re *Sandon Tramway and Railway Deviation.*

66. *Mr. Skerrett.*] I want to ask you a few general questions relating to the suggested permanent deviation from Levin to Marton. I apprehend that it is common ground that the necessity for that permanent deviation will arise when there has been an adequate increase in the general traffic on the Main Trunk line?—By the "permanent deviation" do you mean the new line?

67. I mean the new line. My question, therefore, as to what is the necessity for making that deviation will depend on the factor whether there is an adequate increase in the general traffic on the Main Trunk line?—Yes; and you mean, when that time arrives.

68. Yes. In that event the Sandon local traffic is not a factor in the question at all—is not a determining factor?—The question of local traffic will undoubtedly have some effect on the question.

69. But it may be taken that the traffic of any local district, including Sandon, will of itself not be a determining factor in that connection?—It might be.

70. If it be a very great community, of course, it may be a factor, but, speaking generally, is it not a fact that the question of construction of the line from Marton to Levin is a colonial question, not a local one?—It is a Dominion question: that is so. That is how we regard it.

71. Mr. Hiley, in his report, at page 13, says, "Statistics have been compiled to arrive at the extent of the present accommodation, the amount of traffic now being handled, and the growth of business, and it is evident from these records that if the rate of increase of recent years be maintained in Auckland and Wellington the railway traffic in eight years' time will be double what it is now, whilst the rate of progress beyond that period may be expected to be at least at the same ratio"?—Yes.

72. That you agree with, of course?—Yes; but there is a disturbing element which has arisen since then—the war.

73. No doubt. I am dealing with the phase which was existing at the time Mr. Hiley penned his report?—Pre-war.

74. Has the war affected the railway traffic to any appreciable extent?—Well, no, it has not.

75. Of course, it affects the cost of construction of new lines and bridges on lines?—Yes.

76. But the volume of traffic has not appreciably diminished?—The volume of traffic has kept up very well. There is a big demand for all New Zealand products now, and we know perfectly well the trouble is in regard to shipping.

77. It is clear, therefore, that at some future time the question of the construction of an additional line from Marton to Levin must receive the serious consideration of the Department?—Yes, but not before those other more important and very urgent works have been provided for.

78. Then is it not a fact that at some future time this question must receive the serious consideration of the Department?—I think I stated yesterday——

79. Would it not be more simple to answer the question?—It will be a long time before that time arrives.

80. It is capable of an answer, Yes or No. It is hardly courteous to say "I stated yesterday" when a simple answer will suffice. Is it not a fact that in England the shortening of important main lines is brought about generally by the pressure of competition?—Competition and the amount of business.

81. In New Zealand the Railway Department has no competition from other railways?—That is so.

82. Then that factor, which is present in England, is eliminated here?—Yes.

83. You also have in New Zealand another factor which must be borne in mind, and that is, is it not, a system by which you make a uniform charge for passengers and freight for all railways in the Dominion?—Our charges are not uniform all over the Dominion. You will find local rates on smaller sections.

84. But, speaking generally, the policy of the Railway Department is to make a uniform charge per mile for freight and for passengers for substantially all lines in the Dominion?—Wherever normal conditions prevail and there is no competition by rail or sea.

85. So that the system of the Department precludes the possibility of any additional charge on the Main Trunk line for the shortage in journey and saving of time which an additional line would create?—The Department would, of course, simply charge its mileage rates.

86. Then it is correct that the system of the Department precludes any charge other than the usual mileage rates in respect of advantages which would accrue from the shortening of the distance from Auckland to Wellington by reason of the suggested new line?—Yes. In regard to any additional new charge, we would regard it as unfair to make it.

87. Does it not follow, therefore, in New Zealand that the straightening of new lines must always be very substantial from the point of view of the public interest? You have not got the pressure of competition, and you have not got, owing to your system, a chance of recouping interest upon your expenditure by increasing freights and fares, and therefore the determining factor must be the interest which the Department must take in the general welfare of the country?—But I do not regard it, and the Department does not regard it, as being in the interests of the Dominion to spend half a million of money on a line which is not required at the present time.

88. That is hardly an answer to my question. I am putting a perfectly general question to you. In considering shortage in a line you have no pressure of competition, and you have no opportunity of increasing charges corresponding to the advantage which the general public get from the shortage of the line, and therefore, in considering any straightening of lines, unlike the railway companies in England, you must substantially consider the interests of the Dominion?—Yes, and also consider the effect it is going to have on our revenue.

89. Now, you have given us some figures the calculations of which I do not propose to challenge, nor have I the material; but I want to point out one consideration which you appear to me to have wholly overlooked. You commenced by showing the loss on freight and passengers over the shorter mileage of seventeen miles?—We put it at fifteen miles.

90. Well, we will assume it to be fifteen miles?—The distance is doubtful.

91. You have treated as a loss the loss of freight and the loss of passengers on a mileage basis over fifteen miles by which the journey would be shortened?—Yes.

92. You have given no figures on the other side indicative of the cost of working the fifteen miles of railway by which the journey will be shortened?—You mean fifteen miles of the present line?

93. *The Chairman.*] If you have to carry goods from Marton to Wellington it costs you a certain amount. If you have a line shortened by fifteen miles you will make a saving of 6s. 2d. per mile?—Provided you could reduce your train services elsewhere.

94. Mr. Skerrett says that in your account you have not allowed anything for the saving of haulage over the fifteen miles for expresses and two goods-trains?—Yes, I have allowed for that.

95. *Mr. Skerrett.*] I understand that cost per train-mile is about 6s. 2d.?—Yes.

96. And the profit is 2s. 6d. above that?—Yes.

97. Could you give to the members of the Commission a statement of the number of train-miles which would be saved on the present running over the fifteen miles?—There will be no saving in train-mileage, of course.

98. I will come to that directly?—About 30,000 miles a year.

99. That is what you have allowed for four expresses and two goods-trains?—Yes.

100. Then the cost of running those 30,000 miles would be annually about £10,000?—Yes, that is right.

101. You have left out of consideration some items which cannot be brought into a pound shillings and pence statement of the position. First of all, there will be a saving to the public in fares over the fifteen miles?—Yes, that is so.

102. There would be a saving also to the public in the time occupied in the journey?—But the time-saving will be very small.

103. Then you charge between 80,000 and 116,000 additional mileage which would be required to be run between Marton and Levin in order to meet the express-trains?—Yes.

104. I assume that you have had prepared, yourself or by some competent officer, a time-table suitable to make the necessary connection?—Calculated on what would be done. Our estimate is a minimum estimate.

105. There is a wide margin—it runs from 80,000 to 116,000 miles?—The estimate 80,000 miles is the absolute minimum, and the 116,000 miles is dependent on connections. For instance, if we have to run extra trains between Wellington and Palmerston, which is quite likely as the result of this connection, then you get that additional mileage. But I have assumed it at 80,000 miles, which is the minimum.

106. But in respect of that 80,000 train-miles you will charge fares and freights, of course?—Yes, but that 80,000 train-miles will be run to deal with less business that the ordinary trains could carry

107. That may be so, but in the account you have prepared showing the disadvantages of the proposed new line you have charged it with the loss of passengers and freights, and you are charging it now with the whole cost of running the 80,000 additional miles?—I have a perfect right to charge it. If the trains have to run, and they are deprived of the earnings they now get, I have a perfect right to do so.

108. You think it fair to debit this account with 80,000 miles at 6s. 2d.?—No, at 6s.

109. On the assumption that those trains run absolutely empty?—No, I am not doing anything of the kind. They will be run with lesser loads than can be taken.

110. But you have charged it at 6s. 2d. per mile, which is the average cost of running a train-mile?—That is the average cost of running those additional trains which the Department would be forced to run.

111. Six shillings is the average cost of train-mileage in New Zealand, is it not?—Yes.

112. So that you are debiting us with 80,000 miles at 6s. per mile?—Yes.

113. And you allow nothing for the fares or freights which those trains earn?—If I debited you with the actual cost of running expenses you would find it would be much in excess of 6s. per mile. They are the Auckland expresses.

114. That is not quite candid. I am not asking you about your figures with reference to the Auckland trains. I have accepted your figures as to that. I am now taking your suggestion that we should be charged with 80,000 additional train-miles and be allowed nothing for it?—Undoubtedly you should not. You are asking us to run 80,000 additional train-miles to deal with the traffic we have now and are dealing with by present services.

115. Now, with regard to the connection by the tram with the line at or near Marton, that connection may apparently be of three kinds, as suggested by the Chairman. First of all, the tramway may be permitted to be connected with the station premises, by what I think it is convenient to call a parallel or terminal siding: that is the first way?—A dead-end—a parallel siding without a connection.

116. Yes?—Yes, that is a dead-end.

117. The next method is a connection with the railway by a minor siding, with no running-rights—no interchange of trucks?—Yes.

118. And the third is a junction with the railway-line under some form of running agreement?—Yes.

119. Do you know that for years the policy in England has been to construct light railways where the alternative is either road carriage or no road railway?—Yes; I am quite aware of that.

120. All those light railways involve the cost of transhipment, do they not?—Yes.

121. Could you give me an idea of what the cost of transhipment would be in New Zealand for ordinary merchandise per ton—that is to say, assuming a parallel siding or dead-end?—At the present time it costs us about 1s. 3d. a ton to handle the stuff.

122. Is that not a very high charge for transhipping from one truck to another truck?—That is the cost with the present rate of wages.

123. You do not think it is high?—No.

124. What is it in England per ton?—I do not know.

125. Authorities say that it is 9d. per ton?—There is a great difference in wages there and here.

126. Is it not a fact that a good deal of traffic at Marton Junction has to be transhipped?—Not a great deal, no. We have what we call transhipping-wagons, but they are only small consignments.

127. Is it not a fact that it is only full through trucks on which transhipment is avoided?—No, that is not so.

128. Is there not a great deal of transhipment necessarily required where the freights are less than a truck-load?—Some transhipment is required, but it depends on what you call a load. We fill up at Palmerston, which is a transhipment station.

129. Could you give me an idea of the quantity of transhipment done at Palmerston, in tonnage?—No, I could not tell you straight away. It is a very small proportion to the total tonnage passing through Palmerston.

130. Would it be 20 per cent.?—No.

131. Or at Marton?—No, nor at Marton either.

132. Could you give me an idea of the percentage?—No, I could not give you the percentage at present.

133. I understand you are fearful that the local Marton trade will be diverted to Foxton: am I correct in that supposition?—No, I am not fearful of the Marton trade. My remarks have been dealing with the position generally.

134. I understood you to say that, assuming a terminal siding at or near Marton Station, that would cause a diversion of Marton traffic to Foxton?—No, not Marton traffic, but traffic to Marton Station and beyond. You see, the distance from Wanganui to Marton is, roughly, thirty-six miles, and the distance to Foxton is about thirty-two or thirty-three, via the Sanson Tram. That difference in distance is going to affect the charges on all goods to Marton and beyond by the Main Trunk line.

135. Why?—Because of the shorter distance and the difference in freight.

136. But you are now contrasting goods which go over from Marton to Foxton, or which go from Marton to Wanganui and beyond?—Yes, Wanganui to Marton and beyond, and Foxton to Marton and beyond.

137. Do you not know that there is a considerable difference in the sea freights in favour of Wanganui as against Foxton?—I am not aware of it. The information I got from the shipping companies here a few weeks ago was that the freights were identical, and if the Foxton Harbour were improved the difference would probably be in favour of Foxton.

138. Then your opinion is that the freights, Wellington to Wanganui and Wellington to Foxton, are the same?—Yes.

139. Of course, any diversion of traffic to Wanganui and beyond is problematical, is it not?—No, I do not think it is. The tendency is to send by the cheaper route.

140. But has Foxton now got conditions which will enable it to deal more cheaply with that class of freight? First of all, there are only small steamers; and, secondly, the service is uncertain?—I do not think the evidence shows that the service is uncertain. The list of strandings given by the Harbourmaster at Foxton does not show that they form any very great percentage of the total number of ships, and as far as the size of the vessel is concerned, if instead of having one vessel capable of coming into Foxton there are fifty available, you can very easily see that it will cause a large diversion of traffic. I know from my experience and observations that if the trade is there they will get boats.

141. I ask you to assume that Foxton is capable of reasonable expansion—of it being made a satisfactory harbour. Is it the policy of the Department to prevent reasonable railway facilities for the development of such a harbour?—The Department has not said it is either.

142. If Foxton can deal more profitably with a class of freight, why should it not?—It is not the policy that is involved. The point is that the Foxton people want the wharf, and we say, "Very well: we do not want to dispose of it, but there is the price." That is obviously the point in dispute.

143. I am not concerned with that, but I understand one of your objections to allowing us a connection at Marton is that you fear there will be a diversion of trade which now goes through Marton and north to Foxton and Marton and north?—I know perfectly well there will be.

144. But is that a legitimate reason for refusing a connection—assuming it to be so?—I consider it to be perfectly legitimate for the railway to protect its own interests and the revenue in the interests of the community.

145. Without consideration to the effect that in the interests of settlement goods could be carried cheaper?—The Railway Department has to consider the general interests, and that is what it is doing.

146. *The Chairman.*] From another point of view, might it not pay the Railway Department to develop the Port of Foxton, which might ease the traffic about Paekakariki?—If the Port of Foxton were the port of termination for the Main Trunk line between Auckland and Wellington it would be so.

147. But supposing it could only be used for the carriage of goods and coal, it might help you to have a railway, and so prevent congestion between Wellington and Paekakariki—you might put on an extra charge, as on local lines?—That might have been all very well in the early days, but not when you have got settled conditions, such as we have at the present time.

148. *Mr. Skerrett.*] At any rate, you think that the trade could be more advantageously carried, at cheaper rates, from Foxton to Marton and north by this connection with the railway than it could be done at the present time?—The trade would be carried if the connection were made at a cheaper rate for the reason that the distance is shorter.

149. Then it is to the advantage of the district that this loop should be opened, is it not?—No, I am not prepared to admit that it is to the advantage of the district, which is well served already.

150. Does it not follow logically?—No. It is not the local traffic we are dealing with; it is the through traffic we are looking after, and in dealing with the through traffic the interests of the immediate district is not large at all.

151. But it is the concern of the district?—No.

152. Supposing there were a connection made between Sanson and some point at Marton not connected with the railway-station: would not all the outward Marton traffic to Wellington go that way?—The outward Marton traffic, yes. I am not laying very great stress on the traffic to Marton. The point I am stressing is that it is going to interfere with and divert all our traffic for and from points beyond Marton.

153. That is not the desire?—But that is exactly what these people have stated in their correspondence.

154. First of all, you have control over the section from Foxton to Himatangi, have you not?—Yes.

155. And it is not proposed to disturb that. I understand the Greatford Station is likely to be shifted a few hundred yards nearer Marton?—Yes. That is in connection with the easement of gradients.

156. If a junction were made by a new siding at Greatford, would not that leave you in charge of important freight?—What junction are you talking about?

157. I am referring to either 1 or 2—a terminal, and without any running-rights?—One is transhipment.

158. Yes, and the other is the termination of our carriage on your railway-line, leaving you to pick up the goods again. What objection is there to that course?—There is the same objection there—you have competition.

159. Surely the mere fact of competition is not to be an answer to every suggested development of a district?—The mere fact of competition will be that in course of time it is going to have a very serious effect, and cause a very serious diversion of revenue in connection with the State railways.

160. I understand, then, that except as a business competitor there would be no objection to a siding junction with your line at or near Greatford or Marton, provided it was there handed over to the Government Railway Department and treated as a termination of the carriage of the Sandon Tramway?—Yes, there would be, because the experience in the past history of this country in connection with the Government railways is that immediately you give a concession, no matter under what conditions, you get persistent pressure, until ultimately what you originally intended has to be departed from, and a position is created that was never contemplated. That is exactly what we shall get at Greatford if any concession at all is made.

161. Supposing your fears prove in a series of years to be true, this line will carry a considerable amount of through traffic. You know you can construct a line at any time you choose from Marton to Foxton, and Marton to Himatangi, and that is the end of the tramway?—Yes.

162. And we propose to give you the right at any time you like—not a compulsory right, but an option at any time—to take over the tramway whenever it suits you?—The tramway is absolutely valueless to us.

163. Very well: what fear is there of this line becoming a real competitor to the Government? Directly it becomes a real competitor you can destroy it?—That is not the point. We know perfectly well that immediately you get this connection, no matter of what kind, whether it be a direct connection or a dead-end, you immediately set up or create what is practically a loop line. There will then be an insistent pressure for interchange of traffic, and an insistent pressure for the Government to take the tram-line over. That follows as a natural consequence.

164. That is a surmise, the value of which depends upon the point of view from which one looks upon it?—I am speaking after a very long experience of what has taken place in New Zealand.

165. I understand you suggest that an interchange of traffic is not possible without an improvement of the existing tram-line?

166. *The Chariman.*] The tram-line cannot carry bogie trucks?—It cannot carry bogie trucks.

167. *Mr. Skerrett.*] Is it professionally known to the Department that the interchange of vehicles from one line to the other is practically impossible? You have an interchange now at the Himatangi end.

168. Then why cannot that continue?—It does continue, and it is not proposed to stop it.

169. But why not continue it at the Marton end?—Because we consider it is not desirable to convert a tramway or a private siding into a loop line to deal with the main-line traffic.

170. Of course, there is no objection to the Sandon trucks, if there be Government inspection, running over your line?—Well, as far as I know they run their trucks on our line now.

171. But there will not be in future any objection—the objection arises from the interchange of Government trucks on to Sandon line in its present condition?—No; the objection arises from the interchange of traffic, no matter which way it is worked. The objection is to the interchange of traffic and extending the facilities that they have now got.

172. But if you are dealing with a particular objection—namely, the inadequacy of the tram-line to carry the heavier trucks of the Railway Department—does not that only apply to traffic from the Government line passing over the Sandon line?—Our objection to interchange is an objection under any conditions.

173. Assume that your general principle is set aside for the time being: there would be no objection to the light trucks of the Sandon Tramway being hauled over the Government line?—No objection if they are up to the Government standard.

174. *Mr. Hannay.*] There would be a practical objection to a private company's trucks going on the Government line, would there not?—Yes, there would be.

175. There would be a difficulty about the return?—Yes.

176. *Mr. Skerrett.*] There is this to be said: that the Sandon people could always control the class of truck which they load, could they not?—Yes, I should think so. But I should say it would be difficult to control it on that line with no station staff.

177. We have heard that the exports from the Sandon district are first of all wool. Foxton has exceptional facilities for dealing with wool, has it not?—Foxton has facilities, but I do not think they are exceptional.

178. It is an advantage, we have heard, for the wool to be taken on board the coastal steamer direct and shipped direct to the Home steamer?—As against that there is the fact that the quantity of wool railed to Foxton, according to the statement put in by Mr. Elliott this year, formed a very small portion of the output of wool for the district. The bulk of it came to Wellington.

179. Therefore you do not fear the competition from Foxton in regard to wool?—But we might get it. We know perfectly well from our experience that you can get very severe competition from Foxton.

180. The other exports are butter and cheese: we have heard they would not go to Foxton?—Under present conditions, no; but if the steamers had freezing-chambers I can conceive it possible.

181. But I am talking of Foxton. It is hyper-timidity to suggest any competition in butter and cheese?—The whole thing comes down to this question: it is the slow process; it is the droping at one end and then at the other.

182. The only other products which come from this district are grain and fodder: those are unlikely to go to Foxton—the market is not there?—According to what I know, grain would go to where it can get the cheapest freight, and that would be via Foxton. The demand is for the northern market, and therefore what we gained through it not being shipped at Foxton we would lose through it being shipped over the Sanson Tramway if the connection were made.

183. I understand you to give as an instance of this competition the motor traffic by lorry to Feilding. I understand you to say kerosene and benzine and sugar are carried to Sandon by tram, and farther to Feilding by motor-lorry?—Yes.

184. Of course, benzine is a high-freighted article?—It is rate and a half, Class A, and my complaint in regard to it was that, although we were told by the tramway people that they had adopted our classification, the charges made by them in respect to benzine point strongly to the conclusion that they do not charge rate and a half, Class A.

185. Is it not a fact that benzine is an article which adapts itself to competition with the railway for road carriage over short distances?—Yes, there is a good deal of benzine carried in that way.

186. Have you taken it into consideration that Feilding is one of the market towns of the Sandon district?—Yes, that is so.

187. And merchants at Feilding make deliveries of their wares into the Sandon district, and take sugar and kerosene by way of return cargo?—I cannot say how the carriage is done, but I understand there are two tradesmen who are carrying.

188. You see, when you get your benzine, or kerosene, or sugar at Feilding there is cartage from the railway-station to the store?—Yes.

189. That would be about 2s. per ton?—I should not think it would be as much as that. I do not know what the cartage rates are there, but I should say that a merchant who would use a lorry for carting from Sanson to Feilding would also have a lorry for his own carting from Feilding Station.

190. Would you mind telling me from the railway returns the proportion of heavy trucks to light trucks in the North Island?—The bulk of the trucks are light trucks. There are 5,000 four-wheeled trucks and about 800 heavier trucks.

191. What is about the residue, approximately?—About 3,600 trucks.

192. Do you say that the lighter trucks are less in number?—No. 3,600 are light trucks; there are 4,500 L's; and the total of the heavier trucks amounts to about 800.

193. Is it not a fact that the Marton – Palmerston Section is a section which carries very heavy traffic?—Yes; there is heavy traffic over that portion, but it is certainly no greater than the traffic carried on many other portions of the main line.

194. I understand you cannot give me the train-mileage and tonnage carried over that section?—I could give the mileage, but not the tonnage.

195. May I put it that this section, Marton to Palmerston North, is a good-paying section?—I have no doubt that the Marton – Palmerston North Section pays its way.

196. But it pays more than a great many other sections on the line?—There are certain sections that do not pay.

Re-examination re *Sandon Tramway and Railway Deviation.*

197. *Mr. Myers.*] Do I understand you to say that all but 800 trucks could go on this tramway?—Oh, no.

198. Does it follow that all the trucks but those could go on the tram-line?—No, it does not necessarily follow. There are about 3,750 La, and about 3,500 L's.

199. There is something less than half?—Yes; about half could go on. The L's include wagons of varying capacity.

200. In regard to the dead-end or terminal siding, have the requisitions or applications from the Manawatu County Council, or people in the district, ever included a request for a dead-end or terminal siding?—No, they have never requested that.

201. What have they requested?—A junction with the main line; and they have advanced the reason of the great facilities that would be offered of getting traffic up to the Main Trunk line.

202. Is a dead-end or terminal siding regarded as a connection? Supposing you had a dead-end or terminal siding running to a station which is part of a main line, would that terminal siding or dead-end be spoken of or regarded as a connection with the main line?—No, the Department would never consider it in that connection.

203. *The Chairman.*] What would you call it?—A tram-line or railway-siding joining. We would regard it as quite a separate thing, and not a connection at all.

204. *Mr. Myers.*] At all events, it has never been asked for?—No.

205. Supposing there were such a terminal siding or dead-end, would it be feasible to transfer your coal from the truck on one line to the truck on the other?—Not without a very heavy expenditure. Speaking of coal as coal, it would not be feasible.

206. When you speak of the feasibleness of the suggestion you have regard to the expense?—Yes.

207. Would it be feasible to transfer timber?—Not without a very heavy expense—an expense that would be at least 6d. per 100 ft.

208. Would it be feasible to transfer sheep?—No. It would all depend upon how much expenditure you were willing to incur. If people went to heavy expense for appliances and labour, well, it could be done, but from a practical point of view it would not be feasible.

209. *The Chairman.*] There is also the element of time?—There is, in train-connections.

210. *Mr. Myers.*] Mr. Skerrett suggested to you in regard to the proposed line that according to Mr. Hiley's report there was reason to anticipate a considerable increase, possibly to the extent of doubling the traffic on the Main Trunk line?—Yes.

211. Even if that were so, do you say that this new line would be necessary, or could the traffic be worked with sufficient ease on the present line?—The traffic can be quite satisfactorily worked on the present line, assuming it does double itself, provided the facilities asked for in Mr. Hiley's report are granted.

212. We are told that in 1879 there was a line authorized between Greatford and Bull's?—Yes. That line was included in the schedule, but the Commissioners considered it, and it was referred to a Royal Commission in 1880 (Parliamentary Paper E.–3, 1880). It was from Greatford to Bull's. The report said, "Greatford to Bull's: This is a short branch of four miles in length. It would be expensive to work, and it appears to us that the district is already fairly supplied with railway communication. Bull's to Sandon: Sandon is within eight or nine miles of Greatford Station on the one side, and it is about the same distance from Feilding Station on the other. The proposal is one which we cannot recommend." I have not the names of the Commissioners.

213. *The Chairman.*] Is that the same Commission that dealt with the Wellington–Manawatu line?—Yes.

214. I think Sir William Russell was Chairman?—I do not know.

215. *Mr. Myers.*] We have heard it suggested by some witnesses in the country that motor-wagons could not be used to transport chaff from the Sandon district to Greatford or Feilding, because they have to keep on the metalled roads. Now, can you give the Commission any circumstances which show that that view is incorrect?—Well, in the South Island there is very active competition in the country districts around Waimate. There the motor-lorries go right to the homesteads, load up with full loads, go into Timaru, and get a load back. That is forty miles in some cases.

216. Do you mean that they have merely the metalled roads right up to the homesteads?—Yes. There is the same thing at Hakataramea Valley, and they cart grain many miles to the stations, and they bring grain and wool from Wanaka to Wallace.

ERNEST HAVILAND HILEY sworn and examined. (No. 50.)

1. *Mr. Myers.*] You are the General Manager of the New Zealand Government Railways?—I am.

2. You have been General Manager since when?—For two years and a half.

3. I want you to give to the Commission any information you can as to the intermediate services, if I may so call them, performed by your Department at Foxton, and as to the necessity or otherwise for specially charging for these intermediate services if you did not receive what you now receive as wharfages?—The point has been raised as to what the effect would be on the Department's revenue if the wharfage was lost, and I should like to make it clear that we are performing a service now which is an intermediate service—a link between wharf and railway—for which we are entitled to charge apart from wharfage. In putting empty wagons on to the wharf, stowing merchandise into the wagons, sheeting, shunting, and the haulage of the wagon to the shed, the Department is performing a service entirely independent of the services which should be performed by them as owners of the wharf. I was docks-manager in England, and there the docks were owned by the railway companies. The accounts of the docks company had to be kept separate from the railway accounts, and the line of demarcation was very clear as between the responsibility of the dock-owning company and the railway company. The dock company received the full wharfage, and performed merely the services

upon the wharf of a wharf-owner, and credited the wharfage charge to the dock account. The service of taking the goods to the railway-shed to be sorted was performed by the railway as an extra service, and for this we received the port haulage and handling charges, which receipts were credited to the railway account.

4. *Mr. Williams.*] Could you define distinctly to the Commission exactly the services that are rendered by a dock company to a railway company ?—I think the line of demarcation recognized in England between where the dock-owner's responsibility ceases and the carrier comes in is when the goods are received from the ship in the sling, or put on the wharf, or dumped on the adjacent wagon or cart. Then the dock company's responsibility ceases.

5. But does not the ship's responsibility include the depositing of the goods upon the wharf ?—Yes. If the dock company performs the work of discharging the ship they charge the shipping company for it. The practice at Home is for the stevedore either to discharge by the ship's gear or by cranes at the cost of the ship. If the dock company provides the cranes they charge the ship extra.

6. *Mr. Myers.*] So that wharfage is paid for for the use of wharf accommodation ?—Yes; solely for the provision of the wharf and whatever staff they provide on the dock-side or wharf.

7. *Mr. Williams.*] Whatever goes with the wharf ?—Yes. I should like to carry that a little further. The question has been raised as to whether the wharfage charges also include the conservancy of the port. Certainly, if the New Zealand practice in regard to docks is framed on the practice in England—and I believe it is—the wharfage does not include any items for the conservancy of the port. Take the Port of Hull again as an instance: the docks were owned by the railway company, and they collected and retained the whole of the wharfage charges as dock-owners. The shipping docks were about ten miles up the River Humber—a river which is probably more heavily burdened with mud than any other navigable river in England—and dredging is a very serious item, also the maintenance of the channel, pilotage, and lighting. These expenses have to be paid for by the Humber Conservancy from charges raised by them from pilotage, lighting, ship's, dues and port dues, which charges are entirely apart from the charge for wharfage.

8. The ownership you speak of by the railway company simply included the dock-entrance ?—It simply included the dock and dock-entrances; the dock companies being responsible for dredging in front of the wharves at the immediate entrance into the dock and, of course, inside the enclosed docks.

9. *Mr. Myers.*] All the river-work was done by the Humber Conservancy ?—Yes.

10. And they charged port and other dues, but had no portion of the wharfages ?—None whatever. I think it desirable to make the point clear also that this extra service of taking goods from the slings and dealing with them until unloaded and sorted on the platform of the railway-shed is not, and should not be, a service to be performed by the railway without extra charge as part of their railway service. It is an extra service entirely, and is not covered by the ordinary railway rate for conveyance.

11. Apart from wharfages ?—Yes; and therefore I would not like it to be imagined that the suggestion that the Railway Department will have to charge for the extra handling and hauling if they lost the wharfage is a threat at all. The fact that they have not charged for these extra services up to the present is probably an oversight. I was not aware until we made inquiries recently that the charge for dock haulage and handling was not being made.

12. You want to make the position of your Department plain. You as a Department reserve the right to make the charge whether the wharf remains under your control as now or not ?—That is so; we make the charge for these extra services at other ports.

13. It does not follow that you would make the charges here—that is a matter you would keep open ?—It is a matter we would look into.

14. Supposing you did not earn this wharfage—supposing you did not have the wharf—could the Railway Department do the haulage and handling which it does now without making this regulation charge ?—Oh, no; it would be most unfair to do so, because somebody else would have to pay it. The Department would be performing a distinctly expensive service, and if not paid at Foxton would have to recoup themselves for the loss in some other way.

15. So that the Harbour Board would require to keep a certain amount of labour on the wharf, apart from the labour you supply ?—Certainly, if they were wharf-owners.

16. So that goods would be subject to a higher tax if the wharf belonged to the Harbour Board than, at all events, they are subjected to now ?—Unless the Harbour Board were prepared to pay us for extra handling and haulage entirely out of their wharfage.

17. *Mr. Hannay.*] The position is that if the wharf belonged to the Harbour Board and they charged the same rates as now the public would have to pay 1s. 6d. more on their goods ?—Yes. We are entitled to include wharfage 2s., and 1s. 6d. as well for handling and haulage in connection with the wharf traffic.

18. Could you barrow the goods into the shed at Foxton as you do at Wanganui ?—No. I am not as conversant with the arrangement at Foxton as the officers in the Department responsible for working this port, but I know the plan of the wharf, and it is quite clear to anybody who sees that plan that barrowing in most cases would be impossible without serious interruption of business, because you would have to barrow across the rails which are used for feeding the ship with wagons even when the ship is opposite the shed. This barrowing would also stop the working of wagons to any other berths on the wharf, therefore if you barrowed across those lines you would block the use of the rails.

19. *Mr. Williams.*] Is not that what is done at Auckland at the present moment ?—But the sheds and rails are not situated in the same way. When a ship is being worked at the end of the wharf to a shed opposite you can understand arrangements being made by which you can barrow across the

rails without so much inconvenience, but from the railway point of view the practice is always more or less objectionable. It is not impossible at Foxton, but most objectionable. Nothing is impossible if you choose to take three days in discharging a ship by barrowing when it should only take one to discharge with other methods.

20. *Mr. Myers.*] Well, is it practicable ?—It is inadvisable.

21. Is there anything further you desire to say in regard to the Foxton Wharf ?—I think not. I think the ground has been very fully covered by Mr. McVilly and previous witnesses.

22. *Mr. Williams.*] With regard to your line at the Foxton Wharf, could it be removed by recasting the arrangements ?—No; I do not think it would be practicable to recast the arrangements. The extent of land available is so narrow that it would be a very difficult and most expensive matter to recast the wharf.

23. *Mr. Myers.*] I want you to come now to the suggestion of a new line of railway between Levin and Marton. First of all, speaking generally, do you agree with what Mr. McVilly has said ?—Yes, I do. Perhaps it would be better to take some of the points more in detail, but I entirely agree with his evidence.

24. One point that Mr. McVilly did not seem to deal with in his estimates of the increase of the working-expenses was the cost of rolling-stock equipment ?—Yes.

25. Would there be any such increase of expenditure ?—There must, of course, be increased expenditure on rolling-stock if the mileage of railway is increased, either as a siding or a through line.

26. First of all I am taking the through line from Marton to Levin ?—Undoubtedly this would involve an increase of rolling-stock—that is, presuming the line did not belong to us.

27. No, I am presuming the line does belong to you and you are working a through line from Wellington to Auckland and also working the Palmerston North–Marton Section separately ?—Well, of course, when any new line is under consideration involving additional mileage it is necessary to include in the estimate of expenditure a figure representing the additional rolling-stock which would be required.

28. And that is not included in the cost of the railway that has been mentioned by Mr. Holmes and Mr. Maclean ?—No. It would be very difficult to estimate the figure until the nature and volume of traffic over the new line has been defined: these factors govern the rolling-stock requirements. It would scarcely be possible to give any estimate at present as to cost of additional rolling-stock required.

29. Perhaps you could say whether it is a negligible matter or a matter that is material ?—It would be quite a material figure. Taking the proposal in its simplest form—that is, that the line should be extended to Marton as a dead-ended line, with a connection or without a connection——

30. Now you are speaking of the tramway ?—Yes; the tramway people would obviously have to add to their rolling-stock if they extended the distance of their carry.

31. Unless they could get it from you ?—Yes, unless they got it from us. And if they came into competition with us it is not to be supposed that we are going to give them all the weapons. If a man starts business in competition with another in the same street he does not generally come along and ask his rival in trade to do the cartage to his customers. That is very much what this application is. If the tramway is going to become a competitor it cannot expect rolling-stock from us.

32. So that, apart from the actual cost of the extension, they would have to provide rolling-stock ?—Yes, if we regarded them as competitors; and, of course, if they actually junctioned up with us the question of their providing rolling-stock, and the terms under which it could be allowed on the Government railways, would require very serious consideration. How should we treat it ? If the tramway are contemplating providing stock, as suggested, sufficiently strong to carry the goods over their line, but sufficiently light so as not to break it, we should have a very serious objection to mixing such rolling-stock up with our own. Tramway-wagons would be loaded and consigned for long distances over the Government railways, and the tramway people would expect that rolling-stock back on their line as quickly as possible, and as we should get a few loads back to the tramway it would mean empty haulage in practically every case. They could not expect the Railway Department to enter into reciprocal demurrage arrangements with them, although we should have to charge them demurrage for any Government wagons that went on their line so as to get them back promptly. The tramway would not incur any long-distance haulage in returning Government wagons to the nearest junction. If they are going to charge us demurrage after two or three days allowed for getting that wagon to its destination—say Auckland, for example—we should be subsidizing the tramway by paying heavy demurrage charges on a truck, which would be of no use to us, until we had hauled it back to the tramway junction again. The cost to the tramway of providing sufficient rolling-stock, without the use of Government wagons, would be prohibitive.

33. In any case they would not be likely to get trucks on the same terms at that end as at the Himatangi end ?—I do not think they are very likely to get trucks on present terms at either end again in any new agreement. That was an oversight.

34. Is there anything further you would like to say with regard to the rolling-stock ?—Not in regard to the rolling-stock.

35. I understand, first of all, that you object to any physical connection between the tramway and the railway at Marton or Greatford, or in the neighbourhood ?—Yes.

36. Well, do you desire to say anything on that particular head ?—Our objection is quite legitimate and quite obvious. There is in the first place the operating objection to having trains hauled by men whom the Department do not control and do not examine, into a busy yard such as Marton is, amongst men who have to come up to a higher standard of efficiency. It is bringing in a new element of danger both to the staff and the travelling public. Therefore any railway connection of that kind is objectionable from the point of view of safety. But, apart from that, there is the legitimate objection of the Department to competitors coming along and saying, "Well, we see this is a good point at which to

tap some of your traffic, and we do not see why you should raise any objection to our coming in here—we want to come in." The suggestion has been made by counsel for the tramway that it is nothing but a terminal connection with the Government railway system, that they merely want to deal with the local needs of the district, and that the business will end there. But it will not end there, and it is not intended that it should.

37. Does it remain a mere tramway from the moment it connects with the railway at that end, as well as at Himatangi ?—Certainly not: it then becomes a loop line.

38. Connecting this tramway with the railway-line would make the tramway a loop line ?—Yes.

39. That is, a loop line to the State railway ?—Yes.

40. Do you desire to add to what you have said as to the effect of that ?—The effect of making it a loop line alters its character from our point of view entirely. A tramway such as it is now has distinct limitations, whereas if it is a loop line, junctioning with us at either end, it immediately becomes a competitive railway for that particular area, and it has all the possibilities of becoming, by public pressure, a through line, which we naturally wish to avoid.

41. Which you think, from the figures, is not justified ?—Certainly not justified. It has been contended that this line would be a desirable addition to our present service; but when you consider that it is going to cost something like £500,000, and that the Government have already got a programme of more urgent improvements which total up to £3,500,000—and that does not include Rimutaka deviation, which is certainly going to cost £500,000—it is clearly undesirable at the present moment to spend £500,000 on a railway which opens up no new territory whatever.

42. I take it, then, that you assume that if you had to take over this tramway you would have to reconstruct as a standard railway ?—Certainly, if it is to be of any use at all. Its only use to the Department would be as a shorter portion of the main line, and that would mean that its main use would be for running express trains over.

43. You say, immediately the extension is allowed the tramway becomes a loop, and becomes a competitor with the State railways: what do you mean by that—compared with any existing phase or a new phase ?—"Competition" is rather a complimentary term—it practically means piracy.

44. Because it would mean that it would interfere with your own business ?—It has no business of its own. It comes into the market we have already created, and will not make any more business, because it does not tap any more sources of income. Therefore it follows that it may take, and will inevitably take, some of our existing business without bringing in anything in the shape of additional revenue. That is hardly fair competition. I should like to call attention to this: since the tramway has nothing to lose and everything to gain by taking our business, they have every inducement to reduce the rates and fares. It is a danger to us, because it reduces our present income; and if they carried our traffic—whatever traffic they can get—at quarter or half rates, so much the better for them.

45. *The Chairman.*] But they would not get the interest on their money ?—They do not seem to worry about that.

46. You say they have the local body to fall back on ?—Yes.

47. I should think the local body would soon be sick of paying rates without getting any profits ?—We hope they will in time. When they do, our contention will be found to be correct—the Government would be forced to take the line over, because the public will say, "Here is a useful line that is lying idle." We would have to take it over and work it at a loss.

48. *Mr. Myers.*] You are apparently looking ahead as much as to the immediate present ?—Yes, and not very far ahead. If this line is introduced into the neighbourhood of Marton as a terminus or as a connecting line, I do not think we would have to look many weeks ahead before an agitation would start for it to be extended to Levin.

49. When you speak of a terminus—we have had a great many terms used—I conclude you are referring to what has been spoken of as a dead-end or siding ?—Yes, without exchange of trucks.

50. Do you think that a mere dead-end or terminal siding to this tramway at Marton or Greatford would be satisfactory either to the State railway or to the owners of the tramway ?—No; and it would not be to the public either. I do not think that even the promoters seriously suggest that such an arrangement would be able to last very long.

51. But while it lasted would it be satisfactory or convenient ?—No; it would be most inconvenient, and that is why it would not last long.

52. Or be payable ?—It would certainly not be payable. You practically create two additional terminals, with terminal expenses. The more handling involved the more breakage you get, whilst any transhipping in wet weather is liable to seriously damage the goods. There is all the difference between a wagon going right through from the point of loading to destination and transhipment in transit.

53. You are speaking now from the point of view of general merchandise ?—Yes.

54. But would it be payable if there were extra charges in respect of such goods as timber, coal, firewood, and sheep ?—Of course, it could not be payable: there is no question of that. If the tramway cannot pay now, how can they hope, with the extra mileage and extra charges, to make it pay as a dead-end tramway ?

55. You said something about the difficulty incurred in regard to exchange of trucks in the event of the tramway having a junction or siding, not being a dead-end with the main line ?—Yes.

56. Would that really be a serious difficulty ?—Yes, a very real difficulty. It stands to reason that if they are going to supply their own trucks and pass them on to us at Marton for conveyance to any distant point, even if it is a truck built according to our own standard, it will cause us the extra expense and embarrassment of bringing that truck back empty from perhaps Auckland to Marton.

57. And would the bringing-back of these empties have any effect of delaying your own loads?—Yes. We are, of course, constantly having to either put on special trains or select our more urgent traffics for the quicker services; and if we had to displace a truck with loaded traffic to bring back to the Sanson tram their empty wagons, obviously the public would suffer.

58. Is there anything else you desire to add to what Mr. McVilly has said, and to what you have said, by way of objection to either a junction or a dead-end or terminal siding?—No. I think the Department's position has been made quite clear. We do not regard this proposal from the standpoint put forward—that is, merely a tramway for serving local purposes. We do not believe for a moment the competition will stop at that, and therefore we regard it as an attack upon our revenue. If it succeeded it would be a dangerous competitor, and if it does not succeed we would have to buy it.

59. And if it does not succeed, is it competing for traffic?—Yes, certainly, it is competing with us.

60. I come now to another aspect of the matter. Supposing goods come from Wellington or from the South Island to Foxton destined for the Main Trunk line beyond Marton, those goods, of course, have to pass over the State line as far as Himatangi?—Yes.

61. Who determines whether those goods pass over the Sanson Tram or the railway from Marton to Palmerston: is it the Railway Department or the consignor of the goods?—The Railway Department, in the ordinary way—if it is not specially consigned.

62. That is what I want to come to—who determines it?—The owner of the goods can determine it—the consignor or the consignee.

63. *The Chairman.*] I suppose what would happen would be this: the consignor or consignee may say, "I want you to carry our goods to Himatangi." You could not refuse?—No.

64. If they have a tramway close at hand they would have to remove the goods at Himatangi on to the tram?—Yes.

65. *Mr. Myers.*] Then the question as to which routes the goods are to go by is not determined at Himatangi, but at the place where the goods are shipped?—Yes; it is not in our hands.

66. And they would be shipped, if this line were extended, either via Palmerston or via Sanson?—Yes.

67. There would be a choice of two lines from Himatangi?—Yes, there would be a choice of routes. A suggestion has been made before the Commission that this new line from Levin to Marton would be useful in relieving the main line. That argument is quite fallacious. We do not contemplate any expenditure on the railway between Levin and Marton, as we are quite satisfied that this section of the railway can carry without delay the existing traffic and the traffic we estimate will be offering within the near future. In my report of 1914, which has been referred to, a sum of, I think, £40,000 has been included for improvements at Palmerston North Station, and it might be argued that some of that expenditure would be obviated by the deviation of trains by the new route, and so relieve the station. But it would have the reverse effect on Palmerston Station, as a matter of fact, because we would have to run trains from Palmerston to connect with the main-line trains via the new loop at both Marton and Levin in order to compensate for the trains which were diverted from the Palmerston–Feilding Section of railway. Instead of the present number of trains running through Palmerston North, which have not to be handled, we should have a pendulating service from Palmerston North to both Marton and Levin. This means two trains for one at present. Palmerston would become to a greater extent a terminal station instead of being a through station. Additional sidings would have to be put in, and provision would require to be made for shunting and standing these connecting trains. Therefore nothing would be saved at Palmerston North Station by diverting through trains to the new route via Sanson.

68. Supposing the present traffic on the main line between Paekakariki and Marton was doubled and trebled, what do you say as to the necessity for the new line between Levin and Marton?—We shall be able to deal with the traffic adequately on this section. The only expense which might be necessary with increased traffic would be for an increase in the number of crossing-places. I indicated in the 1914 report the number of duplications necessary in the near future; there was no suggestion of any duplication between Marton and Paekakariki.

69. Is there anything else you can usefully add to help the Commission?—I think not.

70. *Mr. Weston.*] You said you were manager at the Hull Docks?—Yes, the docks and railway.

71. Had you a station there?—Yes, most certainly.

72. You were manager for the Hull Docks?—I was manager for the whole of the Yorkshire portion of the North-eastern Railways, which included the Hull Docks.

73. You had docks in the river there: did the whole of these docks belong to the railway company?—No; there is one that did not belong to us. We had seven docks.

74. Who owned the other?—The Hull and Barnsley Railway Company.

75. Were there any other wharves there except those?—No.

76. And in order to work those docks you obtained authority by special Act?—No; we bought out a moribund dock company.

77. Which I presume had a special Act authorizing them to construct and manage docks and to charge?—Yes, and we took over those powers.

78. Can you tell me whether in that Act there was any limit imposed by the Legislature upon the charges you could make for wharfages?—Yes, they were all classified and defined.

79. They were all scheduled?—Yes, there was a maximum rate fixed.

80. Are you acquainted with the principle on which those maximum rates were fixed?—They were fixed, I presume, so as to give a paying return for the investment in dock property. There was no difference in the principle for charging or fixing the rates at the docks built by a railway and docks purchased by a railway from a Harbour Board. The other dock which I mentioned was built by the Hull and Barnsley Company, and their rates classification was the same as the North-eastern Railways.

81. You told me that the maximum charges were based on giving the dock company or the railway company a fair return on the capital expended on the erection of those docks ?—That is so.

82. You had to keep special accounts, I suppose, owing to having taken over this enterprise which had been carried on under a special Act ?—Yes.

83. Can you tell me the rate of interest you paid on the capital involved ?—We did not separate our accounts in that way. I do not think we ever showed whether we paid interest or not. You may take it that dock companies at home, as a general rule, are not paying propositions. They are regarded as a necessary part of a railway in England as feeders.

84. You would not show a balance-sheet like you have shown in regard to this wharf, so far as the wharfages are concerned ?—We have not shown a profit on this wharf. We have shown what we would lose if it were taken away.

85. But you have shown what you would lose out of wharfages. You have separated it just as you did at Hull. Mr. McVilly has been careful to separate the expenditure in connection with the wharf and the revenue derived from the wharf ?—The railways would do the same, of course, at Hull if their ownership were attacked there.

86. But you would not show a return of 50 per cent. ?—We would show the actual figures, whatever they were.

87. With regard to the question of the duties of the railway and wharfage, I understand that at the wharf the ship takes delivery of cargo for export, or hands over the cargo brought in, on the wharf in slings. Is that not so ?—It depends. Some cargoes, such as fruit, for instance, could not be dealt with in slings. Such cargo is barrowed from the ship's gangways.

88. They take delivery at the ship's side on the wharf ?—That is so.

89. The wharfinger takes delivery on behalf of the consignor, and either hands it over to the consignee if the consignee brings down his own vehicle to take it away, or puts it into the shed ?—No, he does not put the goods into the shed : he puts them on the wharf.

90. Mr. McVilly has told us that in the expense he has charged are the expenses for taking the goods across from the wharf and putting it into your railway-shed ?—It is an extra railway service.

91. That is in connection with the wharf ?—No. Mr. McVilly was careful to explain that it was not.

92. We will take it now that the Harbour Board is the owner of the wharf ?—That is a supposition.

93. If the Foxton Harbour Board takes cargo from a shed and puts that cargo into the goods-shed, are you going to charge them for that ?—No. If we do not perform the service we should not charge for it.

94. So that I may take it that all the general cargo which is taken by the Harbour Board from your goods-shed, or from the ship's side to your goods-shed, would not be charged for ?—No, not if the Harbour Board do it.

95. I take it that goods that are brought by the Harbour Board to your goods-shed to be sent away are just in the same position as are goods brought down from Foxton to be sent away ?—You are presupposing that the Foxton Harbour Board is going to perform a service and not charge for it. They do not take it to our shed at present.

96. *The Chairman.*] Supposing there is a ship discharging at the Queen's Wharf and they want to send goods to Palmerston North : the owners of the goods would cart the goods to your shed at Thorndon and you would forward them ?—Yes ; then the intermediate charge would not arise.

97. *Mr. Weston.*] Say we take it to your goods-shed at Foxton ?—You must be careful to define which shed—it is one thing taking it to our railway-shed, and quite another thing putting it into a Harbour Board shed.

98. *The Chairman.*] If you had no moving work from the ship to the shed the Railway Department does not charge ?—That is so ; we would not charge in such a case. We should not, however, allow shipment traffic to be put into our shed unsorted.

99. Supposing I came along with a cargo of goods and said, "I have my own labour and shall do the work myself," and I wanted the goods sent to Palmerston North, where would I put them ?—You would bring them into our railway-shed.

100. *Mr. Weston.*] If the Commission says we are to have this wharf the Commission will give us the right of access by a public road. You are saying that because we have to go through your yard you will not provide a right of access to get to your shed ?—Who said that ?

101. What is your objection otherwise ?—We are not raising an objection. We are discussing the charge for a service.

102. Do I understand this : that if the Harbour Board says, "We will take care of your goods and we will take them from the shed and put them into your shed," there is no charge by the Railway Department ?—If you come to us as a local trader and offer your goods at our shed we will take them ; we should not charge for the intermediate service if there were no intermediate work performed.

103. In regard to the question of intermediate service, I can understand that in the case of the Wellington Harbour Board, to charge 1s. per ton when you bring the trucks down. If we had the loading on the wharf there, you have to bring the trucks down a considerable distance over the permanent-way, but here at Foxton your lines are practically alongside the wharf. For instance, take a particular case : a big cargo of benzine is brought in. Would it not pay you better not to charge anything for bringing your trucks down alongside the ship, provided the Harbour Board does all the loading into the trucks ?—We have performed one service already—viz., haulage.

104. You would say, "I will charge you a haulage fee for bringing the trucks down alongside the ship." Look what it saves you. You bring it down practically the same distance as you would bring the trucks to get your own goods from the ship ?—Still, there is an additional service.

105. Technically there is ?—Practically there is.

106. *The Chairman.*] Because they have moved part of their rolling-stock a certain distance on to the wharf, which they need not move, and there is a good deal involved in it ?—When trucks are placed at one fixed delivery-point probably it is possible to do this with the train-engine without delay or much expense. The engine then can continue its train-working, the haulage service being completed; but if it is necessary to keep an engine for the purpose of shifting trucks about, whether it is 20 yards or 100 yards, it costs money.

107. *Mr. Weston.*] If the cargo is put direct into your trucks you have not the trouble of taking it out of your shed and putting it into the trucks ?—We should have to send talliers down to take delivery of the goods there.

108. When the goods go into your shed do you not tally them ?—Yes, but we do not want to tally or load in two places. The distribution of staff to different loading-points is an expensive matter.

109. At all events, I may take it this way: that as far as all cargo taken direct to your shed is concerned there will be no charge for it ?—Not if it is offered to us directly on the bench.

110. Now, with regard to the shed at Foxton, the complaint is that your shed is too small, and that instead of the cargo being able to be taken into the shed you have to use the trucks. You unload into the trucks and into the shed as well, and when the shed is emptied again the trucks have to be moved on to the shed and unloaded into the shed, instead of the goods being taken in straight away. You make no charge for that ?—We do not charge for it.

111. You would not expect to charge in a case like that ?—We do not expect to.

112. So that if the shed is made bigger, so that the whole of the goods from the ship can go straight into the shed without any trucks, you make no charge ?—At no port in the world are the facilities adequate for a maximum demand. If they were, the people who built them would be unbusinesslike. There are times when no accommodation will stand the strain, and this may have been one of the times when you saw it.

113. Mr. McVilly made that point; but I think if you look at the list I have here of the number of vessels coming to the port, you will see that there is about one in every two days ?—Yes.

114. It is not a case of a boat coming in once a week, and I think if you look into the matter yourself you will find that that is so ?—I am very glad of the hint, and I will look into the matter.

115. I have been asked to put this to you: how many tons of goods can you take in the shed ?—I could not say. It is not a very easy question to answer, because it all depends on the nature of the cargo.

116. My friend, Mr. Luckie, desires me to point that out, and I should like you to look into the matter, because I do not think that you, as General Manager, would agree to any injustice being done in any part of the district. What they tell us is that the shed can only take half the general cargo of the "Queen of the South" at a time ?—I shall be only too glad to look into that, and your question encourages me, because you evidently do not hope to get control of the shed or the wharf.

117. *Mr. Skerrett.*] We have heard that many railway companies in England have been obliged to shorten their lines by means of loops ?—Yes.

118. Do you know of many instances of that kind ?—I could give you an instance of a loop line on the London and Brighton line, where a loop was made to deal with the traffic, but I would like to preface it with the remark that London has a population of over seven millions, and Brighton is London's most popular seaside resort.

119. What advantage do the English railway companies find in shortening their lines ?—When they have to face duplication for relief purposes it is clearly good policy to look for some deviated route through new territory, so that with the deviation they can have available two or more lines to the same towns; but we have not got to that state of congestion here yet.

120. Sometimes, I suppose, those deviations are made in places where there is a possibility of a competitive line ?—Yes, but there is not much of that now.

121. Are the English companies able to charge higher fares in proportion upon the shorter line ?—No, the mileage charged is governed by the shorter route.

122. So that the cost of the deviation is made up by the increase of operative facilities for working the lines, and, I suppose, wear-and-tear ?—Yes, and therefore only justified when the state of the congestion on the existing lines makes it imperative.

123. *Mr. Myers.*] You told Mr. Weston that if the Harbour Board had the wharf and took the goods into your shed there would be no service, and therefore no charge. In that case how would the goods be sorted ?—I presume they are going to do their own sorting. They, I understood, were going to undertake those duties, which come under the charge of 1s. 6d. for handling and hauling.

124. But where could they do the sorting ?—I do not know.

125. *The Chairman.*] I understand Mr. Hiley to mean that you could not expect a person to have two cases of benzine, five cases of kerosene, and so-much sugar: you must separate them ?—Exactly.

126. *Mr. Myers.*] Are there any facilities there for sorting ?—No; there is no room.

127. Would not the Harbour Board then require a shed of its own ?—Certainly. I think I made it clear that Mr. Weston must discriminate between our shed and their shed.

128. So that they would require a shed or sheds for the purpose of sorting ?—Yes.

129. *The Chairman.*] In the case of a cargo of oil there is nothing to sort ?—No. There are certain cargoes which will not require sorting, but they could not perform the service generally without a shed.

130. *Mr. Myers.*] And if they did perform the service, they would first have to take the goods by barrow or otherwise to their own shed; they would have to sort them and deliver them in separate sorted lots to you at the railway-station ?—Yes.

131. I suppose they could not do that without expense ?—No, the expense has to be incurred by somebody. It would be cheaper to ask us to perform the service and pay us for it.

132. Do you know precisely what happens at Wanganui ?—No, I do not; but I know that we are performing the services the e, and I know we are performing them at the present time at a loss. The charge was fixed some time ago, before the wages were raised to the present rate.

133. Mr. Weston also asked you something about Wellington. Just look at your rates with regard to port traffic at Wellington Station. Do you see that your charge on A, B, C, D, and E goods for haulage between the ship's side and the railway-sheds, including weighing and handling, per ton, whether weight or measurement, is 2s. 3d. ?—Yes, that is so.

134. *The Chairman.*] I suppose the shed on the wharf at Foxton now has not been built specially for dealing with goods coming or going by ships ?—It is a general shed.

135. And possibly it is not in the best position for dealing with the cargoes of ships ?—We have shown by the way we have been dealing with it that it is generally convenient.

JOHN MASSY DECK sworn and examined. (No. 51.)

1. *Mr. Weston.*] I think you are shipping manager for Messrs. W. and G. Turnbull and Co. ?—Yes.

2. Who are agents for the Anchor Line here ?—Yes.

3. Can you say, with reference to your boats, what has been your attitude towards the Foxton Harbour in recent years ?—We have found it increasingly difficult to work.

4. Are the boats which you are sending there now smaller than those you sent in the past ?—Yes. We used to send the "Alexander" there: she carried 280 tons of coal; but we would not think of sending her there now.

5. What boats do you send ?—The "Kennedy" and the "Waverley"; but we have just disposed of the "Waverley."

6. She was going there last year on your behalf ?—Yes.

7. What sort of luck has the "Kennedy" had this year ?—We have had to take in smaller loads with her. We have not been able to fill her. We had a very lively experience there during the last spring tides. She took in only 140 tons, but she stuck for twenty minutes on the bar. The captain told me he thought she was going to stop there, but she just managed to come off. Very frequently the trouble is in the river.

8. On the whole, is there more trouble there than on the bar ?—Well, it is more frequent. If the bar is bad we do not risk it, but in the river you have to pay for lightering. The "Alexander" went in and out some years ago on the same tide and put off a load of sheep.

9. That would be a light load ?—Yes, she would not draw a great deal of water with that. We would not send the "Alexander" in there at all now. It shows that she had to cross the bar about half-tide to have the time to do it in.

10. *Mr. Myers.*] What trade is the "Alexander" in ?—Nelson, Wanganui, New Plymouth, Onehunga, Westport, and Wellington.

11. Does the "Alexander" take goods to Wanganui for the inland towns ?—Yes.

12. From Wellington ?—No, from the West Coast and Nelson.

13. I suppose the freight from Wanganui and Foxton would be about the same ?—No; that is, coal and cement. Foxton is higher than Wanganui on account of the disadvantages at Foxton. The difference has been increasing all the time. They used to be level rates.

14. What is the freight from Wellington to Wanganui ?—I am not in that trade, but I understand it is 14s. now.

15. Do you know what it is from here to Foxton ?—No; I am not in that trade.

16. We had it in evidence that it is 9s. for goods beyond Foxton and 12s. 6d. for goods to Foxton, so that is less than to Wanganui ?—Yes, that is so.

17. *The Chairman.*] Your ships do not go from Wellington but from Nelson ?—Yes. We used o take in large quantities of coal to Foxton for the Railway Department, and we also took in cement.

18. You do not take coal to Foxton for the Department now ?—Yes; but very seldom on account of the bar and the river being so unsatisfactory. There is always a danger when taking cargoes to Foxton.

19. *Mr. Myers.*] Did the Government tell you that was the reason—on account of the difficulties at Foxton ?—There is always the difficulty when loading for Foxton that you may get "neaped."

20. You take coal to Wanganui, too, do you ?—Yes, all round the west coast.

ALFRED KINGSLEY DREW sworn and examined. (No. 52.)

1. *Mr. Skerrett.*] The freights and fares chargeable upon your tramway are regulated by Order in Council ?—Yes.

2. Please give the date of the Order in Council ?—It was gazetted on the 18th July, 1884.

3. And readopted and amended by Order in Council in 1901 ?—Yes.

4. Mr. McVilly has complained that the tariff obtaining on your tramway differs materially from the tariff obtaining on the Government line: is that so ?—No. Class A in our tariff is exactly the same as the Government, Class B is exactly the same, Class C is exactly the same, and also Class D is exactly the same. Class E, for grain, exceeds the Government charge. Class F is exactly the same. Class H, for wool, exceeds the Government charge. Class K is the same, but Class M exceeds the

Government charge. Classes N and P are exactly the same as the railway charge. The charges for benzine and motor-spirits are Class A¼. According to the Order in Council it reads, "If any goods are required to be carried which are not mentioned in the classification they shall be carried at Class A until the Council shall determine in what class they shall be carried." The Council determined that the rate for benzine should be rate and a quarter.

5. As a matter of fact, we have heard that on the Government line it is rate and a half ?—Yes.

6. Mr. McVilly has raised the question as to the successful competition of motor-lorries taking the goods from the Sandon Tram to Feilding: will you explain the circumstances connected with that traffic ?—With regard to benzine and motor-spirits the difference in the two charges owing to the mileage allows the ordinary carriers to enter into competition. The same applies to Class A stuff generally, to a greater or lesser extent. But with regard to some other classes they can only enter into competition on account of the small motor-lorries running out into the district serving the settlers, and they carry those goods back as back freight.

7. *The Chairman.*] You mean that at Palmerston or Feilding the grocers take goods back ?—Yes.

8. *Mr. Skerrett.*] Are they wholesale or retail dealers ?—Well, both, I think—chiefly retail. There are two large stores at Feilding, and they have two lorries apiece.

9. Is there any freight motor-lorry service between Feilding and Sanson ?—No.

10. It is all done in the way you mentioned ?—Yes, that is the way it is done.

11. *Mr. Myers.*] You take goods from Foxton, do you not ?—Yes.

12. And I suppose you charge as freight the Foxton mileage rate ?—Yes, according to the tariff.

13. What Mr. McVilly apparently complains of is that it is your classification which does not agree with that of the Government ?—As to the classification, I have taken a number of instances and they tally with the Government charge. Of course, there are a large number of classes of goods which are not in our classification list, such as benzine and motor-spirits, as has been mentioned. The classification was made in 1884, and the traffic in those commodities came later.

14. Have you never included them in your classification or gazetted them ?—Only, as stated, by the resolution of the Council.

15. They are not gazetted afterwards ?—No.

16. Class 1, firewood, is different from the Government rate, is it not—your rate is higher than that charged by the Government ?—Yes, it exceeds the Government rate.

COUNSEL'S ADDRESSES.

WELLINGTON, 2ND JUNE, 1916.

Statement by Mr. SKERRETT. (No. 53.)

Mr. Skerrett: Will your Honour permit me to make a statement as to the position I take up with respect to the suggested construction of the line from Marton to Levin? I do so, sir, only for this reason, that the statements I make may shorten the discussion which will ensue, and may relieve my learned friend Mr. Myers of dealing at great length with that aspect of the question. The members of the Commission will remember that at the outset of this Commission, while I pointed out the advantages which would arise from the construction of the new line, I explicitly admitted that the time for its construction was not now, and I pointed out that we recognized that the time for its construction would not arrive until the volume of traffic on the Main Trunk line so increased as to necessitate the duplication of the line between Marton and Palmerston North or between Marton and Wellington. It is quite true that at the outset I indicated a period of years within which we suggested that duplication might take place; but your Honour will recognize that it is impossible for a responsible counsel to invite this Commission to disregard the volume of evidence given by the experts who represent the Department and who are continuously engaged in the service of the Railway Department. I say it is impossible for a responsible counsel to ask the Commission to disregard the evidence that the time for the duplication is not in the immediate present, but is in the somewhat distant future. Now, your Honour, I make this statement quite frankly and candidly, because I apprehend that it would be an insult to the intelligence of the Commission to ask it to disregard this volume of evidence which the officers of the Department have produced on this point; but would your Honour permit me, as I have made the statement, to mention in the briefest possible form what we suggest with reference to this line. We submit we have established that when the construction of the line becomes necessary it will afford a great saving in mileage and in time to the public.

The Chairman: I have thought that possibly the time may come when they will be able to run two expresses one way and two another. Of course, the traffic may not merit that for twenty years; but should that time arrive and they have to provide for it, it may be that this would be of great advantage.

Mr. Skerrett: Just so.

The Chairman: I am only speaking personally for myself, but that time apparently has not yet arrived, as you say.

Mr. Skerrett: Yes. Your Honour will see that I am asking permission to make these few observations not because I am instructing the mind of the Court, but because, having made the admission which I felt compelled to make, I would like to suggest briefly what we suggest the advantages to be. I point out that to the public in freights and fares it will be a great saving, and in time, which is becoming so valuable upon the main arterial line between Auckland and Wellington, it will be a great saving. I desire to emphasize the fact that if the line is constructed there will be practically a flat run from Marton to Paekakariki, a distance of some seventy-one or seventy-three miles; and if the grade between Paekakariki and Wellington is improved—as Mr. McVilly has indicated the Department have it in their mind when the opportunity arises to do so—this line must expedite a great deal of the traffic between Wellington and Auckland. I only want to make one further observation, and it is this: that if the duplication becomes necessary a very large part of the expense of this line will be gone, because I feel that the duplication of the line from Marton to Palmerston or Palmerston to Wellington will almost certainly involve the construction of two bridges over the Rangitikei and over the Manawatu Rivers, because, as your Honour is aware, the existing bridges are plainly insufficient to carry the duplicated lines, so that the cost of the bridges over the Manawatu and Rangitikei will, in the event of the construction of the line, not be additional. Your Honour will see that we have, I venture to submit, presented our case upon this point with as much candour as could be expected, and I myself have not been free, as your Honour will see, from the difficulty of being without any expert railway advice upon the matters which I presented to the Commission.

Mr. Myers: When you speak of duplication, you mean the new line—you include that?

Mr. Skerrett: Yes.

Mr. Myers: I take it that what my friend says makes it unnecessary for counsel to deal at all with question number 4 referred to in the Commission. Then there is a further question which has been mentioned during the course of the proceedings. It was first mentioned by Mr. Skerrett when we met in Wellington before evidence was taken at Foxton, and I understand from the Railway Department that the scope of the Commission has been extended by a further Order in Council which was signed yesterday, or is to be signed to-day, so as to include that further question.

The Chairman: I have not seen it.

Mr. Myers: It may not have been signed till this morning. It states that the "functions under the said Warrant are hereby extended and shall be deemed to include the power to inquire into the question whether it is necessary or desirable in the public interest that a new line of railway should be constructed by the Government from Levin to Marton." Your Honour will see that question 4 as set out in the original Commission refers only to a line from Levin or some other suitable point on the Main Trunk line to Foxton, but it was intended that the larger question should be submitted to the Commission. We proceeded upon that assumption, and evidence was taken upon it, and therefore it is desirable that the question should be in a concrete form before the Commission; but what my learned friend has said makes it unnecessary that I should refer to that question and, I apprehend, question 4 also.

Mr. Luckie: The position is that it was never intended by the parties for whom we appear that clause 4 should appear as a separate question at all. It was understood that clause 4 was only appertaining to the others, and in the event of a favourable answer being received with reference to the line from Greatford or Marton to Foxton, that it was only part of the scheme, and should never have appeared in that form at all. We wanted put into the original Order in Council what now appears in the later Order in Council, but our endeavours were not successful.

Statement by Mr. M. MYERS. (No. 54.)

Mr. Myers: May it please your Honour and gentlemen of the Commission,—During the proceedings at Palmerston the Commission will remember that I submitted a fairly concise summary of the objections of the Department to certain proposals or suggestions made in reference to the railway; but the Commission will remember that that course was not adopted, nor was it asked that it should be adopted, in reference to the question relating to the wharf at Foxton. I propose, if the Commission please, to deal with the various questions that are referred to in the Commission, but to deal with them briefly and without any attempt at an analysis of the evidence, though it may be necessary as I proceed to make an occasional passing reference to the evidence of certain witnesses. First of all, may I respectfully put it to the Commission that the questions that are asked are put, and intended to be answered, in a very wide form. What I mean is that the Commission is asked to report as to whether certain proposals are desirable in the public interest. What does that mean? It has to be remembered that the railways of this country are owned by the State—that is to say, they are owned by the people as a whole and not by any particular section or the people in any particular locality. What I desire to emphasize in connection with the proceedings before this Commission is that the whole of the evidence which has been submitted by my learned friend in support of the proposals referred to in the Commission is evidence that concerns not what might be called the general public interest, but merely concerns the interests of a particular locality or of a section of the people in a particular locality. Now, the Commission is not asked, I submit, to determine whether a certain proposal is desirable, or whether any of those proposals are desirable, in the interests of a particular locality; but the Commission is asked to say whether they are desirable in the public interest, meaning the interests of the public as a whole. Even if the interests of a particular locality had merely to be regarded I should submit to the Commission that if it is intended to carry out a particular work or undertaking which at first sight might appear desirable in the interests of the locality, but if upon investigation it appeared that that work or undertaking could only be carried out at a monetary loss and without any real corresponding advantage to the locality, not only would the performance of that work or undertaking not be in the public interest, but it would not be in the interests even of the particular locality or of the people of the community, although it might confer advantages upon, or give a profit to, a limited number of people or a particular section of the people in that locality. Those general observations bring me to the first question which this Commission is asked to consider, and that is the question "Whether it is desirable in the public interest that the Foxton Harbour Board should be permitted to purchase from the Railway Department the Railway Wharf at Foxton, and, if so, on what basis the purchase-money should be ascertained." What I submit to the Commission, first of all, is this: that if it be shown that the acquisition of the wharf by the Foxton Harbour Board means that the importation of goods into the district will be more costly, or that the revenue is going to be dissipated in useless expenditure, it is not desirable, either in the interests of the public as owners of the railway and of the wharf, or in the interests of the locality which is asking that this wharf should be acquired, that the wharf should be taken out of the hands of the Railway Department and handed over to this local body. It has been suggested during the course of the proceedings that the Legislature has allowed a Harbour Board to be created, and that that is some reason, therefore, why the wharf should be handed over to this Harbour Board, or that the Harbour Board should be allowed to control it. Now I submit, with great respect, that there is really no point in that suggestion when it is carefully considered. I desire to point out that this Board was created as far back as 1876. It did not have the wharf then, and during the existence of the first Board and of the second Board—I mean the second elected Board, which was still a Board under the Act of 1876—it was suggested by the Marine Department, without reference to and without the consent of the Railway Department, that this wharf might be handed over to the Board if they undertook the ordinary responsibilities of a Harbour Board, a proposal which they declined. I quite recognize that that by no means ends the matter, because the mere fact that the Board may have taken a wrong step—if it were a wrong step—in the early days is not in itself a reason why the position should not be put right now, and why the interests of the Board or of the Foxton people should not receive attention now; but my point is this: that although the Board existed in 1876, and for several years afterwards, this wharf never became the property of the Board. The wharf was never under the control of the Board, and it never was intended to be, under the Act of 1876. Very well! ever since this wharf was constructed in the early "seventies" it has remained the property of the Railway Department and under the control of the Railway Department. Then it is suggested that this Foxton Harbour Board which was abolished in 1886 was recreated under a local Act in 1908; but my answer to that is this: that the mere recreation or reconstitution of the Board under the Act of 1908 is no reason why it should have this wharf; because, as in 1876 so in 1908, the Board was constituted with the knowledge that it did not take over or acquire possession of this wharf. The wharf in 1908 was refused to this Board just as it had been refused previously. Nevertheless, the Board was constituted by the Act of 1908 to perform the functions of a Harbour Board, but not

to perform any functions so far as this particular wharf is concerned. If it had been intended that the Harbour Board should have this wharf when it was reconstituted, the wharf would have been given then; but instead of that it was refused in what the Government of the day, rightly or wrongly, considered to be the public interest. Sir, I emphasize that point simply because it has been said during the course of the proceedings that the reconstitution of the Board in 1908 may be some argument in favour of the contention that this wharf should belong to the Board. I desire now to point to the provisions of the Government Railways Act, 1908. The provisions, I think, are the same——

The Chairman: You mean in the Consolidated Statutes.

Mr. Myers: Yes.

The Chairman: The Consolidated Statutes are only reproducing what was in existence.

Mr. Myers: Yes, that is so. I am referring to that Act because it is the Act at present in existence; but I was going to say that it is only repeating the Acts that were previously in existence. In that Act "railway," in section 2, is defined as meaning "All buildings, erections, wharves, jetties, works, rolling-stock, plant, machinery, goods, chattels, and other fixed or movable property of every description or kind belonging to His Majesty, and situate on such land, or held or used or reputed to be held or used in connection with or for the purposes of the railway."

The Chairman: There is no dispute that the wharf is vested in the Railway Department.

Mr. Myers: No, your Honour. Then we come to section 10. By subparagraph (ii) of paragraph (*a*) of that section it is provided that the Minister may fix the scales of charges to be paid for "goods carried on a railway, or received on or into, or stored in or delivered from, any wharf, pier, jetty, store, shed, or yard in connection with a railway." Subparagraph (v), "The use by any vessel of any wharf, jetty, mooring, berthage, building, crane, or other appliances in connection with a railway; or for (vii) Goods loaded or unloaded from or into lighters, into or from ships lying at or adjacent to any wharf, pier, jetty, berthage, or mooring in connection with a railway; or for (viii) Goods received or delivered from or to any vessel lying at or adjacent to any such wharf, pier, jetty, berthage, or mooring." Then, section 32 provides, "(1.) All moneys received by way of rents, tolls, fares, freights, carriage, fines, or penalties, or otherwise accruing from a railway, shall be paid into the Public Account and, except as by this Act otherwise provided, form part of the Consolidated Fund. (2.) All such moneys as aforesaid shall be deemed to be moneys of the Crown." It has been suggested during the course of the proceedings that the Railway Department has done nothing for the improvement of the river. The Railway Department could not do anything for the improvement of the river; but in accordance with the provisions of this Act the Railway Department, whose property that wharf is, has charged wharfages as part of the railway revenue, and the wharfages so received have been paid into the Consolidated Fund in accordance with the provisions of the statute. The local Act of 1908 contemplates that that position will continue, and, as I shall show directly, there is no reason why it should not continue; and there is no reason why the Board should not, without the possession of this wharf at all, do work to the same extent as if it had the possession of this wharf.

The Chairman: It would have less revenue.

Mr. Myers: I will show your Honour what I mean directly on this particular point.

The Chairman: There is only one people who could be asked to make bricks without straw.

Mr. Myers: I will show that the Board can get the straw, and they can get it more cheaply to both consignors and consignees of goods than if they had this wharf. After all, what is the ground upon which the Harbour Board presents its case to the Commission? What is the reason why the Harbour Board says it ought to have possession of this wharf? There is only one reason—that is, to enable the net revenue to be spent on the river.

The Chairman: And to become the revenue of the Board.

Mr. Myers: The money to be spent, your Honour, on the river.

Mr. Weston: Like other harbours.

Mr. Myers: As in harbours where the wharves belong to the Harbour Boards. Here, as in various other places, the revenue from the wharf does not belong to the Harbour Board. It does not in Port Chalmers.

The Chairman: There are two wharves in Port Chalmers: does the railway own them both?

Mr. Myers: No, your Honour. The Harbour Board has a wharf and the Railway Department has a wharf, but the revenue from the Railway Wharf is not spent upon the harbour—it is part of the railway revenue.

The Chairman: I suppose they will need it all to pay interest on the cost of construction and maintenance of the wharf.

Mr. Myers: I do not know. If your Honour said "cost of construction and maintenance of the railway and wharf," I would say "Yes" at once. In Nelson there is a Harbour Board, but the wharf belongs to the railway, and the revenue is not spent upon harbour-works. It forms part of the railway revenue, and the position has been the same in Foxton from the first construction of the wharf. Now, your Honour, I put it to the Commission before that it cannot be in the public interest to hand this wharf over to the Foxton Harbour Board if the result is going to be an increase in charges, and if the revenue is going to be wasted on works which can have no useful effect. What are the Harbour Board proposals? Surely before the Harbour Board can say that it is in the public interest or in the interests of the locality that they should have this wharf they should show what they are going to do with the money, and they should present to this Commission some reasonable and feasible scheme. But what have they presented? All they have said is this: that they want this money in order to enable them to do some dredging to improve the river conditions. They will not rate themselves, if the Commission please, for the purpose of constructing works such as training-walls: they are not prepared to do that. They are not prepared to put their hands in their own pockets for

the purpose of improving the port and so reducing, if it can be reduced, the cost of carriage of goods into the locality. What they want is that the whole of the money which they suggest should be devoted to the improvement of the river is to be obtained—where and how? It is to be obtained by filching it from the railway revenue—in other words, it is to be taken at the expense of the general public. That is the position. Now, your Honour, I have said they suggest that this revenue is to be taken by them and to be devoted to the dredging of the river. Well, as I said before, I do not intend to analyse all the evidence which has been given, but I do ask the Commission to consider the engineering evidence which has been given by Mr. Fitzgerald, by Mr. Edwards, and by Mr. Holmes with regard to the proposals that have been made by the Foxton Harbour Board. I expressly refrain from attempting to analyse the evidence upon this particular point, and I expressly refrain from doing anything more than merely referring to it, because your Honour has associated with you upon the Commission gentlemen who are put there, I presume, because they are themselves men of practical knowledge in matters of this sort. But, your Honour, I cannot resist putting one aspect of this river-improvement question before the Commission. I should have thought, quite apart from the evidence of any engineer—I may be quite wrong—but I should have thought that, with a bar of that kind, it would be contrary to common-sense to attempt dredging without first in some way controlling or attempting to control the channel of the river or constructing training-walls at the mouth. Here we have a river whose channel at the bar has already shifted at least a mile and a half, and which shifts now 200 or 300 yards, and yet it is suggested that by mere dredging the condition at the bar is to be improved. Well, I venture to suggest that that scheme is contrary to common-sense, and the Commission will remember that it is the condition at the bar that is the governing factor in connection with the navigation of the river. Plainly, unless the condition at the bar is improved, it is of no use trying to improve the channel. The witnesses have said that at neap tides the vessels cannot negotiate the bar, or, at all events, they cannot negotiate it except with a very light draught. Very well: what is the use of attempting to interfere with the channel unless the controlling factor—that is, the bar—is first attacked? What then, is going to be the result of these dredging operations? I venture to suggest to the Commission that the actual sovereigns might just as well be thrown by the Railway Department or the Government into the bed of the river as be handed over to a local body—I do not care whether the Foxton Harbour Board or any other local body—for the doing of the work which it is suggested, and the only work which it is suggested, the Harbour Board proposes to do in connection with the attempted improvement of the river conditions. Mr. McVilly informs me, your Honour, and this can be verified by reference to official documents in the Parliamentary Buildings—that when this Bill of 1908 was first presented to Parliament——

The Chairman: What Bill?

Mr. Myers: The local Act reconstituting the Foxton Harbour Board. It contained in it a provision, either a reference in the preamble to these wharfage charges or an express provision—Mr. McVilly says it was an express provision—that these wharfage charges should be the property of the Board, but that was refused and struck out.

The Chairman: I do not know if that helps us in any way. The best proof is that the Government have not assented to it and that they have issued a Commission to consider it.

Mr. Myers: Yes, true; but I am only saying that by way of answer to the suggestion that was made to me during the proceedings—I think at Foxton or Palmerston—that the mere existence of the Harbour Board, or the fact that it was allowed by Parliament to be reconstituted in 1908, was a reason why these wharfages should be handed over. I am simply informing the Commission that that was expressly considered by the Local Bills Committee or by Parliament in 1908; that the Foxton Harbour Board had not overlooked the fact; that they had included provision that they should have these wharfage charges, and that the provision was struck out.

Mr. Weston: My friend has mentioned this new fact, and I should like to say that the fact was that in 1908 Mr. Millar opposed the Bill. He said, "If you do not strike out the wharfages the Government will block the Bill"; and we know Mr. Millar's attitude by his speech in 1910.

Mr. Myers: As a matter of fact it was not Mr. Millar, but another Minister altogether. It was the Hon. Mr. Hall-Jones who had the Bill in his charge. That is neither here nor there; but it would probably be a good thing if the attitude taken up by Mr. Millar in connection with this matter were more often taken up in our political life. What I mean is that it would be an advantage if the members of the Government, having decided what they think is right, adhered to it in the face of what has been referred to as "the pressure of public opinion," which is perhaps a euphemism. Now, your Honour, there are other matters to be considered in connection with this Foxton Wharf question apart from the probability—amounting to a certainty, I submit—that the money will be wasted if it is handed over to the Harbour Board. What I refer to is this: the Commission have been informed that haulage and handling and sorting charges are charges which can properly be made in the future, and could properly have been made in the past. What does that mean? It means this: first of all, that if this wharf were handed over to the Board, the work in connection with discharging the ships and handling the cargo must be done by someone. It must be done either by the Board or by the Railway Department under an arrangement with the Board. Now, there can be no doubt that it would have to be done in this case by the Railway Department: it could not be done by the Board. Very well: the result would be that the Harbour Board would certainly receive no more by way of net revenue than the Railway Department has been receiving, because the wharf would still have to be maintained and the labour would still have to be paid for, and the charges with which the revenue has been debited are really only the charges for labour and maintenance. But the Board would require something more in the way of secretarial or administrative services than it requires now. It would become a bigger body and a more responsible body, and its expenses would be correspondingly increased. Further than that, the Railway Department would still have to do the haulage and sorting, and would

most undoubtedly have to charge for that service. They cannot be expected to do it for nothing, and there is another 1s. 6d. added to the cost of the carriage of those goods beyond Foxton—not into Foxton, because if the goods are for delivery into Foxton that charge is perhaps not incurred. But that question is of little or no importance, because, as the Commission has been informed, 95 per cent. of the goods, or thereabouts, which arrive in Foxton are not for Foxton, but are for delivery at Palmerston or places beyond Foxton—partly on the Sanson line and partly on the Government line. In addition to that there is one feature that cannot be overlooked; and, however the Hon. Mr. Millar may have put it in 1910, it is not used as a threat by the Railway Department, but it is a circumstance which the Railway Department says should not be lost sight of. The railway system has to be worked as a whole—it cannot be worked section by section. For example, a great many trucks come down from places far beyond Palmerston, and they accumulate in Wellington. Now, if the railways are to be run as a commercial concern in the interests of the public, those trucks must have back loading or else they are being run at a very great loss. The Railway Department is not going to run the railways at a loss if it can help it, and in order to run on a commercial basis those trucks must go back loaded. Now, if the sea competition to Foxton increases to such a large extent as to seriously interfere with the Railway Department's haulage from Wellington outwards to Palmerston and north of Palmerston, the result would inevitably be that the Department, in order to secure back loading for the trucks, and in order to run the railways as a commercial concern, would have to make special rates. That happened at Oamaru, and your Honour knows the result. It cannot be said, your Honour, that the Railway Department has starved the Port of Foxton, and I will show the Commission that in the days of the Wellington–Manawatu Railway Company there was competition between the Government Railways and the Wellington and Manawatu Company, and, as the Commission has heard, the Railway Department worked in conjunction with the steamers. Notwithstanding that, the Wellington and Manawatu Railway Company had the bulk of the business.

The Chairman: How can the little Foxton Harbour Board harm you, then?

Mr. Myers: Because when the Manawatu Company was in business they only got the trade by cutting the rates.

The Chairman: You are the Goliath: it is not likely the little David can throw anything to harm you.

Mr. Myers: I am not so sure of that. The Railways are a Government concern, and we have heard a good deal in regard to "pressure of public opinion." When the Manawatu Railway was acquired by the Government the special rates ceased, and immediately the trade of Foxton went up. It has increased considerably.

Mr. Weston: The Makerua Swamp has been developed since 1908.

Mr. Myers: The general merchandise, which, I suppose, after all, is the cargo that pays has, I think, pretty well doubled.

The Chairman: You must understand that there has been an enormous development in that district in flax-mills, and Foxton is a township that has entirely changed from what it was in the olden days when there were no dairy factories or settlement round the district.

Mr. Myers: But your Honour is comparing Foxton with a great many years ago: I am comparing it with eight years ago.

Mr. Weston: It is all within eight years that it has grown up.

Mr. Myers: Oh, no. At all events the Commissoin will remember that some of the witnesses—I refer in particular to Mr. Kellow—have not hesitated to say that the result I have suggested is the result that they expect. If Mr. Kellow's evidence is looked at [see page 27, question 138] it will be seen he was asked, "Would you expect that if the river is deepened and the conditions improved, the quantity of goods shipped by the vessels would be increased?" and he replied, "It is a natural consequence, I should say. "More vessels would be running." Further: "And the quantity of goods carried by rail decreased?" and he said, "Naturally. That is the trouble, of course." He means that is the trouble, of course, so far as the railway is concerned. Then he is asked whether it would affect the revenue, and he says, "to a certain extent," but he does not think it would affect the revenue greatly. That is, assuming that the port is considerably improved, and, as a consequence, that the shipping considerably increases. But I have put the position on the two suppositions—on the one supposition—which I submit is the more correct one—that the work that is proposed to be done would not affect any improvement at all; and therefore it would be simply throwing money away. I put it that is not in the public interest, or, indeed, in the local interest. Then, in the alternative, I am putting it to the Commission that if the port were considerably improved, and the shipping increased, and the railway revenue was seriously affected, as a consequence special rates would have to be resorted to. The question is as to whether that is in the public or local interests. Your Honour, it may be that Foxton is unfortunately placed, in this sense, that it is the commencement of a railway—the Foxton–Waitara Railway—and that it is connected with Wellington through Palmerston by railway, and that it is so near to the two ports Wellington and Wanganui. That may be a misfortune, but, if it is, it cannot be helped. I can only put the facts as I submit they are proved, and the probable results, according to the evidence, as to whether money spent in the river is likely to effect any improvement. I then come to this point: Has it been shown that the river conditions have appreciably deteriorated? If it has not been shown that the river conditions have appreciably deteriorated, then that is an additional reason why this money should not be spent, and therefore a good reason why the money should not be handed over to the Board. In the first place, your Honour will remember that the Harbourmaster told us that he had a record in his diary of the soundings taken. He had some of the soundings, but he had not put them all down. He could not let us have his diary because it contained some private matters. He was asked whether he would submit and forward to the Commission a copy of his notes of the soundings taken, and he said he would. I have asked for them since, but they

have not been sent down, so that there is absolutely no direct or convincing evidence of any deterioration in the river conditions. The only soundings that have been put in are the soundings which have been taken by the Railway Department in the neighbourhood of the wharf—not immediately at the berthage, but about 3 chains away; and those soundings show that between 1907 and 1913 the conditions in that particular neighbourhood had not deteriorated, but, if anything, they had slightly improved. I come then to the record of the strandings, which has been put in by the Harbourmaster, and if the Commission will look at that record it will be seen that from February, 1913, until the present time there have been in all nineteen strandings. Now, in order to see what that means it is necessary to refer to the returns which my learned friend Mr. Weston put in yesterday. What do they show? They show that from the 1st February, 1913, to the end of February, 1916, there were 572 vessels which arrived at the port. Of course, there is a limited number of vessels, but I mean 572 arrivals at Foxton. There were 180 from February to December in 1913; 176 in 1914; 185 in 1915; and 31 during January and February, 1916. That number of 572 should be increased by adding the arrivals during March, April, and May of this year. I have not included those arrivals in the total of 572, so that from the 1st February, 1913, to the end of February, 1916, there were 1,144 arrivals and departures, and it is during that time that there were those nineteen strandings. I refer the Commission to the evidence of the Harbourmaster [see page 28, question 12]. The Harbourmaster is asked by Mr. Weston, "I think you have kept some returns of boats sticking?—Yes. [Return, 1913 to 1916, put in]." Then he is cross-examined by myself, and I ask, "Is this return you have produced a return of *all* the strandings?—Yes, taken out of my diary." "And it is a complete list?—A complete list since 1913."

Mr. Weston: It is only fair to say that I do not think those returns by the Harbourmaster are anything like exhaustive or accurate. Apparently he did not keep records of all the strandings. At the time I got that return from the Harbourmaster I had not obtained Mr. Kellow's diaries. I went through Mr. Kellow's diaries, and in 1915 alone there were eighteen strandings inside the bar and two on the bar. That is twenty from the 1st January of this year to the 15th May. The "Awahou" was stranded seven times, five times inside and twice on the bar. The "Wakatu" came in once and was stuck once inside, while the "Queen of the South" was stuck no less than six times, four times inside and two on the bar. Mr. Kellow kept the actual returns because he had to make reports to his principals. If my friend is relying on those returns he is relying on something which is not accurate. It was not the Harbourmaster's duty to keep those returns.

Mr. Myers.] I should have thought it was. What I am relying on is the evidence. I am not disputing the correctness of Mr. Kellow's diaries or the accuracy of Mr. Kellow's testimony, whether they are questions of fact or matters of opinion; but I should assume that Mr. Kellow had kept a note of every touch, as it were, even though a vessel may not have been on the bank or on the sand for perhaps more than a very few minutes.

Mr. Weston: If you look at the diary you will see the times they were stranded, how long they continued to stick, and the efforts which had to be made to get them off. That is all set out.

Mr. Myers: All I can say is that I have not had the opportunity of seeing them.

Mr. Weston: They have been in Court.

Mr. Myers: I cannot read them in the middle of my address. All I can refer to at the present moment is the evidence which has been given by the Harbourmaster, and as to Mr. Kellow's diaries, I make the observation which I have made, and which may or may not turn out to be correct on a perusal of the diaries. I asked the Harbourmaster, "Have you got a list for the four previous years?" and he replied, "I have got my diaries. I could get that." I am citing the figures for the purpose of showing that the river conditions cannot be anything like as bad as some of the witnesses have suggested. But there is something more than that: if the Commission will look at the documents which my learned friend Mr. Weston put in yesterday it will be seen that the arrivals at this port have not been irregular. Take them week by week and month by month and you will see that they are fairly regular. In order to do that may I ask the Commission to look at the details of two documents. First of all, we have a summary of the vessels that have entered the port and their respective registered tonnages from April, 1910, down to May, 1916. It will be seen that taking month by month the number of arrivals is well maintained, and that it cannot be said to have been in any way an irregular service. But that is not all: we have details of the arrivals at Foxton for the first three months of 1916, and if those details are looked at it will be seen, taking, for instance, January, 1910, that there were arrivals on the 1st, 6th, 9th, 10th, 13th, 14th, 15th, 16th, 19th, 22nd, 25th, 27th, and 29th. That does not indicate any particular——

Mr. Weston: Will my friend notice that the neap tides are at the beginning of the month. You will notice that in January the "Queen of the South" worked the port, but she does not come to port again for ten days, and then she works practically for three days. She is the smallest and best-adapted boat for that bar.

Mr. Myers: It would be more convenient if my learned friend would keep his observations till later; but I am glad he has interrupted me, because he does not understand my point, which is this: that almost day after day you have one vessel or another—I do not care which—entering this port. That indicates a regularity, and not, as has been suggested, an irregularity. Take, then, February, 1916. We have arrivals on the 1st, 3rd, 5th, 6th, 8th, 10th, 11th, 16th, 17th, 19th, 20th, 22nd, 25th, and 29th. There is a mistake in that return. At the foot of the return it says "From May 2nd to 22nd, 1916, 5 vessels, 675 tons," but if you look at the actual arrivals in the last column it will be seen that that number should be 8, and the tonnage is 1,068. In this connection, I might say that Mr. Kellow has written to the secretary of the Commission slightly correcting the statement made by him at Foxton. He says, "When I first joined the Foxton staff the 'Queen of the South' averaged about eight trips per month, and during 1915 and 1916 she averaged about seven trips and a half per month."

That, at all events, refers to those returns Mr. Weston has put in, so I submit that a great deal more has been said about the conditions of the river than is really justified by the facts. Then, take Mr. Kellow's statement of the trade, and the Commission will see that the quantity of hemp and tow has considerably increased, particularly the hemp.

The Chairman: This return of the vessels trading to Foxton from April, 1909, to 1916, does show a drop, because for the nine months in 1909 there were 186 vessels of 21,000 tons, and in 1915, 185 vessels for the twelve months.

Mr. Myers: Yes; but there is no substantial drop. The tonnage is 22,000.

The Chairman: 21,000 is the registered tonnage for nine months in 1909, and 22,938 for twelve months in 1915.

Mr. Myers: Look at 1913, which is higher, and 1912. It varies.

The Chairman: 1909 is higher, but it drops in 1915.

Mr. Myers: Yes, it goes up and down, but it is not appreciable.

The Chairman: It is not appreciable, but, at any rate, the tendency is down.

Mr. Myers: No, your Honour, not altogether.

The Chairman: Take 1910, where you have the twelve months.

Mr. Myers: Well, take 1911: there is a drop, while in 1912 there is an increase; 1913, a slight drop; 1914, a drop; and 1915, an increase.

The Chairman: But not an increase up to 1910.

Mr. Myers: No.

Mr. Williams: I think there is a slight drop.

Mr. Myers: One explanation is to be found in connection with the coal-boats, and I will refer to that directly. The Railway Department has not been getting its coal.

The Chairman: There were seventy-five fewer vessels in 1915 than in 1910.

Mr. Myers: Yes; but there is a difference in imports of about 10,000 tons of coal in 1910 and 1915, which accounts for quite a number of vessels.

The Chairman: But the list I was referring to eliminates coal, because it deals with it after the coal had ceased.

Mr. Myers: No, your Honour. My friend has admitted that the general cargo has doubled, and the hemp has gone up very considerably.

The Chairman: No doubt the export of hemp is new.

Mr. Weston: That is a big freight.

Mr. Myers: I do not know the character, but take the trade of the port and see the increase. And, I say, could there have been that increase—could the ships, especially, if there had been a few less ships coming, have been doing all this work and carrying all these increased loads if the conditions had been such as those suggested? It shows, your Honour, the kind of argument that is used when Mr. Goldingham in his evidence before the Commission [see page 36, question 28] says that owing to the irregularity he had to open a depot at Foxton to keep goods there. Mr. Kellow says in effect, "For Heaven's sake improve the river conditions at Foxton, because then these merchants will open depots at Foxton." Mr. Goldingham says that it would be an advantage to improve the shipping, because he would not then require a depot at Foxton; and Mr. Kellow says, "Improve the river so as to give us the advantage." Then Mr. Goldingham is asked whether his importations have increased, and he says Yes; and he says his business has increased, and the imports have increased both by sea and by rail; but when we come to look at his railage returns there is not that increase; so that the increase must all have been by sea, notwithstanding all this irregularity that they have talked about. So that the Commission will see that, wherever there is any test which can be applied, the result of the test is against the Foxton Harbour Board on the question of the river conditions and not in its favour. Mr. Drew was asked whether the shipments were regular [see page 83, question 133]: "You have had a lot of inwards cargo through Foxton pretty regularly?—Yes, fairly regularly." And when the tramway returns for 1916 are looked at there appears to be fair regularity, though I admit that nothing very much can be taken from that, because there is other cargo carried on the tramway quite apart from goods which come in through Foxton. Very well; how, in the face of all this testimony, can the wild statements that have been made regarding the river be accepted? How can it be said that the river conditions have deteriorated? Now, take the question of coal. Irresponsible statements have been made that the trouble has arisen because the owners of the colliers will not send their vessels into port. Mr. Hennessy makes a statement in this connection [see page 21], and Mr. Kellow makes a similar statement [see page 23, question 28]; but there is no person connected with the actual management of any of those colliers who has been called to give evidence; and when the Railway Department gives its evidence it is found that the reduction in the quantity of coal imported into Foxton has absolutely nothing to do with the river conditions.

Mr. Weston: I think you have not examined the figures.

Mr. Myers: My friend may be able to show the contrary, but all I can say is that the facts show, and the evidence of Mr. McVilly shows, that the purchase of the Manawatu Railway and the opening of the Main Trunk Railway have completely altered the conditions with regard to the requirements of coal from Foxton northwards. Mr. Crabb, who was one of the witnesses called in regard to the coal question, says [see page 38, question 41], that he could never get in the four years he has been in business more than 180 tons in any one shipment; but Mr. Crabb's difficulty has arisen plainly, when the real reason is sought for, not because of the river conditions, but because the Railway Department's coal is not going into Foxton. He explained to us in his evidence that the more screened coal the Railway Department gets, the more small coal there is for Mr. Crabb. Consequently, if the railway screened coal does not go into Foxton, Mr. Crabb has more trouble in getting shipments of small coal. So all this difficulty we have heard of in regard to the question of importing coal into Foxton is explained, and affords no argument, it is submitted, in favour of the alleged deterioration of the river conditions. Now, I put

this question: What is it that the Board is really asking for? It is not merely the wharf: it is the goodwill of the connection of the wharf with the railway—that is what they are asking for.

The Chairman: What do you mean by "goodwill"?

Mr. Myers: I mean there is nothing to prevent them putting up a wharf anywhere they like.

The Chairman: Will you give them a siding to it?

Mr. Myers: I cannot, of course, answer that question.

Mr. Weston: Mr. Millar said he would not, and the Railway Department said it would not.

The Chairman: Is not this the position: you are charging 2s. for wharfage?

Mr. Myers: Well, your Honour, we are charging 2s., and we say ——

The Chairman: You are charging 2s. for wharfage, and the wharfage you get is sufficient to pay all the labour you require to carry on the wharf. You also get full freight on all goods you receive, plus the labour that you have to pay for in bringing the goods from the ship to the railway. Very well: you get in addition to that a sum of money—it does not matter whether it is 4d. or 1s.—but that sum of money must be for—what? It will be for what you have done for the port. What have you done for the port? You have put up a shed, and you are getting a return from that shed. What is that return? That return is more than interest on construction. Is not that a tax on the goods to Foxton? You are utilizing the river to get money for the Railway Department.

Mr. Myers: No, my answer is this: the same position obtains in regard to every ton of cargo carried over the railways and in regard to every passenger carried on the railways.

The Chairman: No, it does not, because you are getting something extra. You charge for taking goods from the railway wharf to the shed, and that is supposed to pay you for doing certain work. If you were to put on 5s., of which 1s. 6d. was for labour, the other 3s. 6d. could be all charged on the port and you could call it goodwill.

Mr. Myers: Well, your Honour, the position is very much the same——

The Chairman: You are in the position of a monopolist—no one can dispute it, and you can charge what you please. If you are charging something beyond the cost of labour and interest, what is that? It is a contribution you are levying on the people who get goods at Foxton.

Mr. Myers: The position is very much the same at Port Chalmers. There the Railway Department has a wharf, and the Harbour Board has a wharf not connected with the railway. Well, the Foxton Harbour Board can put up as many wharves as they like.

The Chairman: But they do not charge at Port Chalmers more than sufficient to pay for the labour and interest on the wharf?

Mr. Myers: I cannot answer that question.

The Chairman: I think the cost is less, because at the time that wharf was put up the harbour was not dredged and no ships with cargo really went up.

Mr. Myers: The Railway Department has put both the wharf and the railway at Foxton, and the endeavour of the Railway Department, of course, has been to run the whole thing as one going concern. That is the principle upon which the railway has been run.

The Chairman: The Railway officers are doing their duty in conserving as much revenue for the State as they can. They are quite right; but I am only putting it to you how the other side view it.

Mr. Myers: I have already, to some extent, answered that by pointing out that no benefit will accrue if the wharf is handed over by the Railway Department, because the charge of 1s. 6d. per ton for haulage, handling, and sorting is inevitable, and the wharfage will not be reduced. What the Department considers is this: it objects strongly, as it always has objected, to parting with this wharf. If, however, the wharf had to be parted with, then the Department considers that it should be paid not merely the value of the structure as a structure, but the value of the business of the wharf. The Commission will remember that Mr. Stiles [see page 29, question 18] speaks of a sum of £10,000: Mr. Hennessy also, in 1910, according to Parliamentary Paper I.-6B, page 8, speaks of paying £10,000, but in his evidence before this Commission [see page 30] we find that the Board actually agreed to pay £28,000. I am not speaking of the district, but of the Board.

The Chairman: You see what level-headed people they are in Foxton.

Mr. Myers: They are not showing that spirit so keenly now. There is another question that has to be considered, and it affects the public interest, and that is this: there has to be considered the question as to what may happen in other places. I do not desire to labour that, beyond pointing out that it was referred to by Mr. McVilly. The Commissioners have heard as to what the conditions are in Picton, Nelson, and Port Chalmers, and the Commission will see that the Railway Department is somewhat anxious that a bad precedent should not be established. The position in Foxton is this: that so long as this wharf showed itself as a liability they would not look at it, but as soon as it became an asset they wanted it, and they have wanted it ever since.

The Chairman: I suppose Nelson would like the wharf, and I suppose they would pay you the total cost.

Mr. Myers: The Department would object strongly.

The Chairman: If they got £75,000, and £3,000 a year——

Mr. Myers: The Department is earning now about £6,000 a year there net. The railway and the wharf are run together, but they are run for the benefit of the district, and the district cannot expect facilities such as they have there without being prepared to pay. If the two things are constructed for the purpose of being operated together, it is not fair, it is submitted, that we should be asked to sever them and to give the valuable part to the local body and be forced to retain the non-payable part. I put it to the Commission before that the Harbour Board can do all it wants without this wharf, and I will show the Commission how. Come what may, if the Harbour Board has this wharf, there must be an additional expenditure of 1s. 6d. upon every ton of goods that comes into the place.

The Chairman: I do not think we have anything to do with that.

Mr. Myers: What I mean is this: the Harbour Board is entitled to charge dues, whether as port dues or otherwise——

The Chairman: But the Railway Department would not be so foolish as to say that we shall put on a rate that will stop the railway being used and make it scrap iron. You have a railway there and it ought to be earning something.

Mr. Myers: Does your Honour mean as to the charge of 1s. 6d.?

The Chairman: It may be eighteenpence or eighteen shillings. You must keep the Foxton Railway open: you are not going to close it up.

Mr. Myers: No; but, on the other hand, we are not going to increase the loss.

The Chairman: You have to look at what will become of the railway.

Mr. Myers: Certainly.

The Chairman: Are you going to put on such rates as would encourage the traffic to Manawatu to be taken by motor traction?

Mr. Myers: No; but, on the other hand, this work cannot be done without being charged for. It is absurd to say that services of that kind rendered are not to be charged for. We have not charged for them up to the present, but that is because we have been getting the wharfage. My point is this: that the Harbour Board, assuming that the Railway Department retains the wharf, could obtain all the funds it requires for the work which it says it is going to do by charging something in the nature of a port due, or a harbour-improvement rate, of, say, 1s. per ton on ordinary goods and 1½d. on baled goods. It would then get as much revenue as it would by having the wharf, and the conditions would be very much more satisfactory to the district, because they would know then what money they had to spend and there would be no question of increasing wharfages. The whole of the net income is £1,700 a year. The Harbour Board speaks of putting on a dredge. Assuming the dredge does not cost more than £8,500—I should think it probably would cost more, but assuming it does not—the dredge is a vanishing quantity, and a sinking fund would have to be established. At the lowest estimate there is £500 or £600 interest and sinking fund, probably much more, and at least £1,200 per annum for working-expenses according to Mr. Howarth's estimate. That does not take into consideration administrative expenses or numerous other expenses which local bodies, we know, have to incur. Then what is the advantage even to the people in the district of this wharf if taken over by the Board? I submit there is none. I submit that the wharf naturally comes under the control of the Railway Department, seeing that it is really, as it were, part of the railway, and that 95 per cent. of the goods, other than hemp and tow, pass over the railway. And the Department contends that it is not in the public interest that the wharf should pass out of its hands. That is all I have to say about the wharf, and the Commission will be glad to know that I shall not be anything like as long when I come to the other questions. The wharf question has to be considered to some extent in conjunction with the tramway extension, and I desire to emphasize the fact that the granting of these two requests together would have the effect of benefiting only the Sanson Tram and probably the motor-lorries between Sanson and Feilding and Palmerston and Foxton, and all this would be at the expense of the State railways. Even supposing there was a slight reduction in the cost of carriage of goods to places north of Foxton, who will derive the benefit? The merchants and storekeepers, or the general public? I venture to suggest that it will not be the general public. I had intended, of course, to address some observations with regard to the question of the suggested new railway between Levin and Marton, but that is no longer necessary by reason of the statement my learned friend Mr. Skerrett made this morning, and I come, therefore, to the question of the suggested tramway extension to connect with the Main Trunk line. My learned friend Mr. Skerrett, in his address at Palmerston, said that the local bodies seek no aid from the public purse; but is that statement sound, or is it correct in fact? I submit it is not, and for this reason: If the extension of this tramway is going to have the result of taking business from the State railways, then the extension would be made with the aid and at the expense of the public purse, because the taking of business from the State is precisely the same thing as obtaining monetary aid from the State. At all events, the effect is the same. My submission to the Commission is that the real questions, and indeed the only questions, which are asked in connection with this tramway extension are questions relating to physical connection with the Main Trunk line, although, as some suggestion has been made during the course of the proceedings in regard to a terminal siding or dead-end, I shall deal with that a little later. But I desire to point out to the Commission that the applications that have always been made by or on behalf of the Manawatu County Council have been requests or applications for actual physical connection. There never has been an application for a terminal siding or dead-end. If the parliamentary papers of 1910 be looked at—portion has been put in, though I think not the whole—it will be seen that when the petition of the Bull's Town Board was before the Public Petitions M to Z Committee, 1910, Mr. E. Newman said, "The point that the Committee have to consider is whether it is in the interests of the country as a whole that the petitioners should be allowed to effect a junction with the Main Trunk line at Greatford or Marton." Mr. Nosworthy then asked this question: "There is nothing to stop their taking the tram-line to within a chain of the railway-line, is there?" and Mr. Newman replied, "Well, the money is to be procured under the State-guaranteed Advances Act, and the Government have refused to sanction the line; but the local bodies are prepared to submit a scheme to make the line provided they can get the connection. The tramway would lose two-thirds of its value unless you connected it with the railway service, for you would have to tranship everything."

Mr. Williams: Is not that all in your favour?

Mr. Myers: Yes, certainly. That is why I am referring to it.

The Chairman: There is another point: that if you help the tramway in getting an extension and some sort of connection, though not a physical connection, with the railway, you would put an end to the competition perhaps of motor-lorries, and in that way help the railways.

Mr. Myers: I think that probably one of your Honour's colleagues, who is a railway man, will agree——

The Chairman: You will reduce your competitor to the tramway. If you will not encourage the tramway people the motor-car people are going to assist the tramway, and possibly that will encourage them to interfere more with the railway.

Mr. Myers: The Railway Department would much sooner run that risk; and, your Honour, the risk exists just as much if there is a mere dead-end or terminal siding as without it, and for this reason, that——

The Chairman: We shall have greater development in motor-cars than we have had up to the present.

Mr. Myers: But my point is this: that a terminal siding or dead-end is never satisfactory, and cannot except under extraordinary circumstances be worked profitably.

Mr. Williams: Then why object to it.

Mr. Myers: Because we know, and it must be obvious, that that is not what they want, and, the moment they get it, then we are faced again with an agitation for the major thing, and there is this constant pressure for something which would not be payable and which should not be granted. But what I was going to say is this: in regard to motor competition, if the dead-end is not satisfactory—and it would not be satisfactory—we would get the motor competition much the same as we have it now, and then the tramway people would come along and say, "It is the motor competition; you might get rid of that if you take over this line," and that is one of the difficulties, of course, with which the State which is running the railway is faced. Then Mr. Purnell, who gave evidence here and also before the Committe in 1910, said in 1910, "If the railway connected at Greatford it might mean that two railway junctions would be required within a few miles of each other. We say that this petition should receive special and favourable consideration from the fact that in 1895 the Government of the day refused to allow this work to be carried out by private enterprise, and since then the Manawatu County Council has fought an uphill fight in running its services and improving it—that is, without the aid of a through connection." Again, Sir James Wilson when giving evidence [see page 59, question 134] is asked, "Then if you had to tranship from your trucks to the Government trucks at the point of junction, would you be any better off?—No, but I should imagine that the Government would not deal with a public body in that way. We do not assume that we would be allowed to go any further than the deviation in that way. The Chairman: You do not mean that goods from your trucks would be emptied into the Government trucks?—No, we would expect them to take our trucks away over their line. Mr. Myers: And you would expect them to bring their trucks down on your line unless, of course, you purchased your own trucks?—Why not? I cannot imagine any want of reciprocity in that way being refused. It would be for their benefit. The Chairman: I understand you do not want the mere connection with Greatford, but you want the trucks to go on the main line to the destination?—Yes, just the same as the Manawatu Railway Company did. They interchanged." So that the Commission will see that this dead-end or terminal siding is quite a new suggestion made during the course of these proceedings; but it is not what they want, and I submit with great respect that it is not what was intended to be referred to this Commission. In any case, if they now ask for a terminal siding or a dead-end, they are asking for something which they have suggested all along would not be satisfactory, and it is not what they want or are asking for. There is only one object they can have in asking for it, and that is for the purpose of using it as a lever—the thin end of the wedge, which they will endeavour to ram home if and as soon as they have the dead-end siding. The Railway Department honestly thinks that the tramway could not be run at a profit having regard to its traffic in the past and to the probabilities in the future; but for the purpose of my present submission I am entitled to put it that the tramway would not be successful, as the Manawatu County Council seem to think it would be. But whether it is a commercial failure or a commercial success, whatever business they obtain must be obtained at the expense of the Government railways. And it is not new traffic—it is existing traffic. How can it pay, really? The cost would be at least £25,000, including the connection. Then rolling-stock would have to be purchased and their various expenses would be increased, and it will be seen that in the past their expenses have increased just about equally with their revenue. How are they going to make it pay? The items of traffic they speak of are chaff, timber, fencing-posts, firewood, sheep, and grass-seed. Now, Sir James Wilson, in his evidence [see page 60, question 149] admits that the chaff trade is problematical. He is asked, "So that as far as the export of crops is concerned northwards, that is problematical—except grass-seed?" and he replied, "Yes, except grass-seed." The whole of the grass-seed, as a matter of fact, goes into Palmerston and Feilding, and there is no tramway extension required for that. Take fencing-posts, and look at the trade in fencing-posts and firewood. In 1899 there were 109 trucks, and that number has gone down gradually until in 1915 there were only sixty-eight, and for the first four months of 1916 the number came down to twenty. Yet the late Mr. McKenzie said before the Parliamentary Committee in 1910, "The most important matter of all is the connection for timber and fencing-material." The timber has not been an increasing trade; the trade in fencing-posts, we have been told, is not a permanent trade; and as to firewood, if the firewood increases, the coal-importations decrease. Where, then, is to be the increase of trade? They talk about sheep; but look at the returns put in by Sir James Wilson. In a letter from Mr. Malcolm Fraser, Government Statistician [see Exhibit 18] it is stated that the number of cattle in the county has increased between 1896 and 1911 by over 12,000; sheep have gone down between 1896 and 1915 from 214,010 to 127,137. Indeed, from 1911 to 1915 the number has gone down by 37,000. That shows that the district has

been converted from a sheep district to a dairy district to a very considerable extent. The tramway is not required for dairy-produce, though of course it could handle cheese, but not butter. Dairy-produce is dealt with by motor traffic to Feilding and Palmerston. What ground is there, therefore, for suggesting that there is a tramway extension required for sheep? In any case, at the present time the sheep are railed and detrained at Greatford or Marton, and they have to be driven those paltry few miles between the Sanson district and these stations. One would think there is a very little hardship to drive sheep those few miles at the beginning, or after the termination, of a journey. At any rate, they have to be driven some miles if they go on the tram—from the tram to the farm. Then, Sir James Wilson suggests in his evidence that there is a probable tendency for the dairy-farmers to quit dairy-farming and take up the fattening of sheep; but there is no indication of that at the present time, and I do not think Sir James intended to imply that there is.

The Chairman: He suggested that it would have to go because the internal sheep-runs are not suitable for fattening purposes.

Mr. Myers: My answer to that is that the sheep have now only to be driven at the commencement or beginning of a journey a very few miles, and that it is absurd to suggest that that is a real ground for the extension of this tramway. Now, your Honour, just a few words with regard to the question of a terminal siding. I have already dealt with that to some slight extent. My learned friend Mr. Skerrett may refer to the Local Railways Act and say the policy of the country is changed somewhat in regard to these questions of local railways, but my submission is that a reference to the Local Railways Acts, 1914 and 1915, will show that what is intended there by the Legislature is not a loop line—not a competing line at all, but a branch line—that is to say, a branch line in a district which is not served by a railway.

The Chairman: What is intended, no doubt, is to give railway facilities to people who have not got railways. What they say is, "You have given the southern portion of the Manawatu County a railway, but you have not done so in the north, and we will make our own railway in the north."

Mr. Myers: In the first place, the increase of population is almost all in the southern part of the district where they have the railway.

The Chairman: They say they cannot cut up their land on account of having no railway.

Mr. Myers: All that land was held in larger areas and was cut up, and it is mainly dairying country. What your Honour says would be all right if it were a mere branch line, but in the first place the Local Railways Act contemplates railways and not tramways.

The Chairman: They would not object to a tramway if you did it instead of a railway. They want better communication.

Mr. Myers: What I mean is this: that it could not come under the Local Railways Act.

The Chairman: That is to say, the Local Railways Act refers to a railway.

Mr. Myers: Yes, and it may under the Act of 1915 connect with the Government line, but that is as a feeder—it is not as a competitive line. No Government would allow a loop——

The Chairman: You say you would not object to it if there was no connection with Foxton and no going out of the county?

Mr. Myers: If it were merely for the county the proposition might be different.

The Chairman: You suggest that it is going to do something else?

Mr. Myers: Yes.

The Chairman: What is the something else?

Mr. Myers: In the first place, goods from Wellington for Marton and places north of Marton would be diverted to the tram-line.

The Chairman: There you are: that is the whole thing. What you are afraid of is that the tramway would be used to carry goods for the Marton district, which is not in either of those counties.

Mr. Myers: Yes, your Honour.

The Chairman: They would not carry into the Levin quarter at all—across the river.

Mr. Myers: No, perhaps not.

The Chairman: It is only, then, the traffic they would be encouraged to carry, say, from Foxton, not to the Manawatu and Rangitikei Counties at all, but goods north of Marton and going beyond Manawatu and Rangitikei?

Mr. Myers: Yes, No. 1.

The Chairman: That is the only thing that you say would be illegitimate?

Mr. Myers: Oh, no.

The Chairman: What would be illegitimate beyond that?

Mr. Myers: Goods from north of Marton for Wellington would be diverted and go by the tramway through Foxton.

The Chairman: Very well, I want to find out what you think would be illegitimate traffic for the tramway to undertake.

Mr. Myers: We say that would be.

Mr. Skerrett: Mr. McVilly said expressly that he would not object to traffic to Marton and ending there being carried on this line.

Mr. Myers: I do not say that is all the traffic.

The Chairman: What is the other?

Mr. Myers: There are then the goods which come down at the present time——

The Chairman: The two things are these: goods from Marton and beyond not coming from the counties, and goods from Marton and beyond going to Wellington and elsewhere outside the counties?

Mr. Myers: Going anywhere outside Foxton.

The Chairman: Going outside the counties.

Mr. Myers: Yes. The Department also says that it would interfere with their Wanganui and Marton Section, because anything going through Wanganui to Sanson would go that way. Otherwise it would go to Feilding and be carried over.

The Chairman: I want to get at your objections to find out what is the traffic the Railway Department think they would be injured in.

Mr. Myers: I have given two or three cases, and the others are given in Mr. McVilly's evidence. I think Mr. Hiley also deals with it in his evidence. Your Honour will see also that as soon as this loop is made, if it is a loop or even a dead-end, the agitation will commence again. When your Honour was asking me for the objections did your Honour mean in the case of a dead-end siding or a connection?

The Chairman: I was putting it as a dead-end siding—you were objecting to it on all three grounds.

Mr. Myers: Yes, but if it is a siding it becomes more serious because of the interchange.

The Chairman: Yes, we understand that.

Mr. Myers: Then what is this tramway connection after all for? It is to enable——

The Chairman: Supposing the County Council chooses to say this: We are going to make an efficient county, and commercially efficient. We cannot make railways because the Government stop us, and they will not make local railways. Very well: we will put a tax on the county of perhaps 6d. or 8d. in the pound, and we will furnish for the traffic a number of motor-buses and motor-cars, with the result that we shall encourage the traffic to come from Greatford and Foxton by motor-buses. It is a level road, and we will take passengers also. The Government railways could not interfere.

Mr. Myers: If the law allows them to do that, well and good. Assuming that it does——

The Chairman: That would be competition.

Mr. Myers: That is all right. We cannot stop that, and we do not want to stop it.

The Chairman: And that would be efficient competition.

Mr. Myers: It might or might not be. No, it would not.

The Chairman: Why?

Mr. Myers: Because it would cost them a great deal more to maintain their roads. One thing would counteract the other.

The Chairman: I do not know what the future may show in regard to motor-traction. It is going to revolutionize a lot of things.

Mr. Myers: That may be quite a fair trade risk, but it is a very different thing from allowing the State line to be tapped by a loop line.

The Chairman: But it is allowing the line to be tapped by motor-cars.

Mr. Myers: Yes; but I mean physically.

The Chairman: I am only showing that you cannot expect this growing monopoly to continually stop local development.

Mr. Myers: But the motor-cars would probably feed the railways.

The Chairman: That is what they say about this—that is one of their main arguments. They say that if you encourage intensive culture in the counties you will have double the number of sheep, double the number of requirements, and double the output; and the meaning of the Local Railways Act was to encourage intensive cultivation so that the railways may be fed.

Mr. Myers: But there is no indication of that. The only indication of that has been the close settlement for dairying purposes in the district.

The Chairman: But it may come.

Mr. Myers: Yes, but in the meantime it is the duty of the State Department to look after the interests of the State, which is the owner of the railways. The Railway officials are, after all, the most competent to judge on matters of that sort. They say they regard a line of that kind not as a feeder at all, but as an absolute competitive concern.

Mr. Hannay: A dangerous competitor.

Mr. Myers: Yes, a dangerous competitor. If it were allowed here it would be the first of the kind, and then others would say, "You have allowed it there: we want it here"; and so you would have the State railways gradually interfered with in all parts of the country. And as far as this particular loop is concerned, the only people who would derive benefit would be the landowners in this already fat and prosperous district.

The Chairman: There is no doubt the landowners will have all the wharves and railways in the end.

Mr. Williams: Does not your remark apply to all railways?

Mr. Myers: No, not always. There may in some cases be many advantages accruing to other districts as well, but in this case we show that the only advantage is to the landowners in the particular district. That may be, rightly or wrongly, but that is the position as it presents itself to us. After all, we say, why cannot they use carts and motor-lorries to some extent? As a matter of fact they do. Mr. Drew, Mr. Wilson, the Mayor of Marton, Mr. Dalrymple, Mr. Purnell, and, I think, Sir James Wilson all say they cart from Marton or from Feilding.

The Chairman: I do not think you could say it is the duty of the Government Department to discourage efficient local traffic.

Mr. Myers: No, I do not say that for a moment; but what I say is this: that they have only to do this carting over a very few miles, and the inconvenience—if it is an inconvenience—is not a serious matter at all, and the people of this district are in a very much better position than almost any other district in the country with the railway and tramway connection and the excellent roads they have in the district. It is submitted, therefore, on behalf of the Department, first of all, that the Government certainly should not be asked to acquire this line.

The Chairman: They have not asked that.

Mr. Myers: That is one of the questions in the Commission.

The Chairman: The whole contest turns upon this: how far should the Government restrict advancement in local carriage?

Mr. Myers: One of the questions is as to whether it is in the public interest that the tramway should be purchased by the Government and be connected with the Main Trunk line. Well, I do not desire to add anything to the evidence which has been given on that point. The other question is, "Whether, in the alternative, it is desirable in the public interest that the County Council having control of the Sandon Tramway should be permitted to connect that tramway with the Main Trunk Railway at Marton or Greatford." If that means, as I submit it does, a physical connection, then the Commission has heard in the evidence—supplemented to such an extent as I have been able to supplement it with my remarks—the objections against that proposal. If the question includes, which I submit it does not, any reference to a dead-end or terminal siding, that question has also been dealt with in the evidence as fully as it could be, and the Railway Department submits that it is certainly not desirable in the public interests that either of those things should be done as suggested in questions 2 and 3.

Statement by Mr. T. S. WESTON. (No. 55.)

Mr. Weston: May is please your Honour and members of the Commission, I submit that the cardinal defect in my learned friend's argument is its technical nature and the narrowness of the view that it presents to the Commission. In does, however, assist the case of the Harbour Board very materially, because on the first question as to whether in the public interest it is desirable that the Board should have control of the wharves, it does show quite clearly how antagonisticly the Department views the development of trade at Foxton. The one bogey which the Department seems to fear right through on the question of whether the wharves are to be handed over to the Board, and also on this question of the Foxton Tramway, is how are we to prevent the growth of the Foxton trade? They are always frightened throughout all their dealings; they seem always frightened that that trade is going to seriously affect their revenue, and therefore it must be checked at all costs. It is quite clear, as pointed out by the Commission, that our Harbours Act clearly establishes the principle that the harbours of this Dominion are to be controlled by a local authority wherever possible. We actually find that a small river like the Mokau River, with a small revenue and supplying quite a small district compared with Foxton, has its own Harbour Board. Moreover, the Legislature gave us the harbour, although it is true they knocked out the word "wharfages"; but all I can say is that Mr. Millar was a member of the Government when that Bill went through, and the attitude taken up by Mr. Millar towards Foxton is shown not only by his evidence given before the parliamentary Committee, and not only by his statement with regard to the Sanson Tramway and the possibilities of its assisting the Foxton Harbour, but also by his remarks in *Hansard*. I am quoting Volume 151, Session 1910, page 396. There he was good enough to say, "He wished to be perfectly candid over the matter, and might tell them as Minister he would just wait and see how things went, and the moment he saw the revenue was being affected—supposing they got their request—he should take steps to protect the revenue of the Railway Department, even if it caused the Foxton Harbour Board to 'go bung.'" That has been the attitude of the Railway Department and of its Ministerial chiefs right through with regard to Foxton, and we have only to listen to the address of Mr. Myers and the evidence given by the heads of the Railway Department to realize that in leaving the control of the wharves in the hands of the Railway Department we are simply putting a flock of sheep in the custody of a wolf clothed, it may be, in sheep's clothing. Moreover, there is the attitude of the Department in coming here and daring to justify the price they ask in face of the knowledge which their General Manager has obtained from his English practice and the practice which English railway companies have to adopt towards docks. Yesterday Mr. Hiley said that in Hull the London and North-eastern Railway had docks which were erected as separate undertakings, of which a separate account was kept of the expenditure, and when asked on what basis the dock charges were made he said that Parliament always adopted the principle that charges were to cover working-expenses, allowance for depreciation and repairs, and a fair interest on the cost of construction. That was the principle on which Parliament acted when they fixed the limit of wharfages which could be charged by a private railway company when building docks, and I submit that simply because the Railways Act cited by my friend does not contain that limitation which it is necessary should be imposed by Parliament when giving a franchise like that to a private company, why should a different principle apply to a Department which is given an unlimited discretion, which, if exercised by a Government Department, is supposed always to be exercised fairly and with justice? There can be no question on the first point that the objections raised by the Railway Department and the Ministers to the acquisition by the Foxton Harbour Board of these wharves are not based on principle—they are based on pelf. That is all. Give my friends their price, and they are quite prepared to sink everything and be satisfied.

Mr. Myers: No, that is not so.

Mr. Weston: Right through the negotiations, "Pay us our price."

Mr. Myers: My friend is quite wrong. We do not want to sell, and the Department has made that plain.

Mr. Weston: Why, here again comes in pelf, because although they thought they had fixed a fair limit—a pretty big limit—in 1910, they asked £28,000; and it appears now from the letter of Mr. Herries that they should have asked £55,000 on the earnings; and I suppose as the district goes ahead the price will go up, and unless this anomalous position is put a stop to we will have the Department asking £100,000 eight years ahead. Some reference was made to the previous Board and to the

fact that the wharf was offered to us in 1876, and the inference that has been drawn is that the Board refused it in 1876 because it was not payable; but that is not putting the position fairly. The position in 1879 was not what it is now. In 1879 Foxton was the terminal port for the North Island, and it was likely to be the terminal port for many years. It was not thought then that the Wellington–Palmerston line would be constructed.

The Chairman: It was thought to be impossible, and would not pay.

Mr. Weston: In constructing the wharf in 1881 the Department was facilitating their own interests, because until they had the wharf there they could not start the railway-line. That distinguishes our position from Nelson. In Nelson the railway is for the benefit of the Town of Nelson. Nelson wanted the through connection to the West Coast; but Foxton was only a pawn in the game. Foxton was selected because it was the main terminal point. Foxton hardly existed, and it was not considered, but it was in the interests of railway-construction as a whole that the wharves were put at Foxton, and the attitude taken up by the Harbour Board in 1879 was quite a reasonable one. What they said was, "We are getting £20 from pilotage, and it will cost us £600 a year to run the pilot system if we take it over. Give us the wharfages and give us an endowment." The Government replied, "We will not give you an endowment, but we suggest giving you the wharfages if you will be content to take over the pilot service and also make further improvements which are so necessary." Those were the improvements which were made in Saunders's contract in 1881. The Harbour Board did what was a fair thing. They said, "We know the district: this port is necessary for the development of the district; but it is no good our taking over the liabilities, because we have no revenue with which to pay them." In those days there were no loans to local bodies, and they said, "If we accept your offer we are only preventing the district coming to you and saying 'Assist us further in order to carry it out.'" But they were quite willing to do it if, as in the case of Wanganui, they were given an endowment. Moreover, in 1881, when they say we refused it, it is quite true the bulk of the traffic was railway traffic, and the interests at that time of the Railway Department and of the port were identical. There was no line between Palmerston North and Wellington. To-day the traffic which passes over the railway is not much more than half the total traffic of the port. We have the whole of the hemp and flax industry, 80 per cent. of which, according to Mr. Kellow's evidence, is shipped from Foxton and does not go over the railway. A great portion of that traffic is entirely independent of the railway altogether, and owing to the railway being in competition on account of having the through line to Wellington, their interests are no longer identical with those of the Board. I submit it is a wrong principle that a Government Department whose interests are diametrically opposed to those of the Board, and who have shown by their evidence here almost unconsciously how much that pecuniary bias, so to speak, influences their actions and thoughts—I say it would be wrong that they should be left to control our destinies. Your Honour will remember how Macaulay in one of his essays refers to the action of the great Roman chancellors and prelates in the Middle Ages. He said they were guiding the destinies of England with a constant side glance at Rome; and I submit that in this case, when the Railway Department is considering the management of the wharves at Foxton they have a constant eye to the Accountant's Office at Wellington.

The Chairman: I do not see they are wrong in that.

Mr. Weston: No; but can you say it is wrong on the part of the residents of Foxton to——

The Chairman: They have their eye on Foxton.

Mr. Weston: They have their eye on the Foxton Port. After all my friend says, "Put on a port charge." That is an easy answer, but there is a limit. The limit of the total charges that that port can stand is small, and if an excessive amount is going to be charged for wharfages in return for services rendered in the construction of improvements, it is hopeless for us to impose a port charge, because it will simply kill the trade of the place. It will be doing the very thing which the railways have threatened us with to-day. I do not know what word to use to characterize their attitude with regard to imposing a special rate. Moreover, straws show which way the current runs, and the condition of that railway-shed at Foxton shows the degree of consideration which the Department has given to the management of the wharves under their control. That shed to-day is as it was thirty-five years ago, and the only improvements in the management of the wharves are due to private enterprise. We have Levin's wharf and the coal-wharf, both of which were erected by private enterprise. Although those wharves have cost the Department nothing, the Department—quite rightly from their point of view—and it is a good thing to see we have such zealous servants from the point of view of the taxpayers—charges the owners for the privilege of working those wharves the same as if they had been erected by the Railway Department. On the first point, as to whether it is in the public interest that the Board should have possession or control of the wharf, I would finally refer to the balance-sheet of the present Board, which shows that they have an income of between £600 and £700 a year. That is from the small reserves vested in the Board, one at the pilot-station and the other near the town, together with pilot fees and a few sums from wharfage, which amounts to about £10 for fees paid by the coal-wharf for the right of going into the river. They have to pay the expenses of the pilot and Harbourmaster, and after paying their expenses they have been able to save about £200, which has gradually accumulated in years to £800. It shows that the Board is not as extravagant as one might think after listening to counsel for the Railway Department. It appears from the evidence taken before the Petitions Committee that the present Board is running the pilot service, which was run by the Marine Department in the days when the Government had control of it. I will now come to the second question, as to what the terms should be on which the Board should acquire these wharves if the Commission think they should be vested in the Board; and before going into figures I would venture to suggest that this question has to be looked at form a very broad point of view. In the first place, it is merely a transfer from a Government Department to a local authority. It is not in any way a sale to a firm or corporation which is going to make money

out of the concern. In the second place, the Railway Department is not the sole Department in the Dominion in which the State has an interest. After all, the railways, though they may have done much for the Dominion, depend for their prosperity upon the development of the whole Dominion, and unless the whole Dominion develops—each part to its fullest extent and looking over a cycle of years the Railway Department will not flourish. Moreover, as we see on the Continent, water service is always recognized as cheaper for heavy traffic than the railways, and on the Continent of Europe, notably in Germany, the canal and river system has never been sacrificed to the convenience or prosperity of the railways; and even in England, where the great canal system built up in the latter end of the eighteenth century has suffered in consequence of the development of the private railway systems, even now regret is being expressed with regard to that sacrifice, and an effort is being made to revive that old canal system. As to the value, there are four bases on which this wharf can be valued. There is, first, its earning-power as suggested by the Railway Department; there is, second, its actual original cost of construction; third, its present value, allowing for deterioration; and, fourth, the book value at which it would appear in the books of the Railway Department, after allowing for cost of maintenance and repairs and interest on cost of construction, the surplus profits from that wharf being devoted to a reserve fund for the capital originally invested in it. Now, with regard to the earning basis, that I would submit relies solely upon the fact that under the Railways Act there is no limit placed upon the discretion of the Railway Department to impose what wharfages it likes. It could legally impose 5s. if it likes; but I submit, in view of the provisions of the Harbours Act, sections 165 and 166, all revenues derived from a harbour, whether from wharfages, harbour revenue, or harbour dues and pilotages, have all to go back and be employed in the improvement of the harbour for shipping purposes. As far as I know there is no provision to that effect in the English Acts. If we have regard to the principle laid down as governing Harbour Boards, then of course the basis of this enormous price asked by the Railway Department falls away at once. Now, with regard to the actual cost of construction, the only evidence we have before us points to the fact that that 500 ft. of wharves or quays really cost the Department about £3,000. We have Anderson's contract of about 160 ft. or 170 ft., which was let at £800, which works out at about £5 per foot. We have no evidence with regard to the original jetty put up. Then we have Saunders's contract; and, looking to the evidence of Mr. Hennessy and one's own knowledge of the price of timber in those days, and allowing for the fact that we have evidence that a better wharf could be built to-day of hardwood for £10 a foot, I consider that an estimate working out at a little less than £3,000 is a fair estimate of what that wharf must have cost. As pointed out by Mr. Williams, there is the question of reclamation. Of course, that railway-station was really built for railway purposes. At that time Foxton was the terminus of the railway system of the west coast of the North Island and required a big railway-station, and looking to the figures given us by Mr. McVilly and other officials of the Department with regard to station alterations at Levin, £15,000 does not seem too much to pay for a station which then, in the opinion of the Railway Department, was likely to be used for many years as a terminal station. So I submit that, if anything, little of the cost of the reclamation should be debited to the quays. Of course, we are asking for part of that reclamation—namely, for the site on which Levin and Co.'s warehouse is situated. We have some evidence as to the value put upon that part of the land. We have evidence to the effect that £50 is considered to give a fair return for the capital invested. Capitalizing that would give the value of that land as £1,500, so what we are asking for is land valued at £1,500 and a wharf estimated at £3,000. That is £4,500. Of course, we would require a proper right of access from the roadways of Foxton to that wharf and to the goods-shed, because it would be useless for us to have the wharf and Levin's site without some access from the road. Then, with regard to the present value of the wharves, there is no dispute about that. Our engineers estimated it, one at £3,500 and another at £3,700, and the Railway Department accepted that valuation. But I submit that is not the proper basis in a matter like this on which the value should be determined. It is no good establishing a Harbour Board burdened with debt. This Harbour Board has an important function to perform to the district, and if the port is to be developed it means that the district will have to put their hands into their own pockets to develop it. If you look at the extraordinary figures supplied by the Railway Department—figures which were never supplied to us until at Foxton—we arrive at an extraordinary position. I have worked out the Department's own figures to see what capital they have now accumulated out of excess over revenue and expenses which they have received from Foxton since 1901. When dealing with this question I would like to point out to the Commission that prior to 1901, for three years prior, the total income derived from wharfages was very little less than that derived in 1901, so that one can assume that the net profit made in 1901 was practically the same as that made in 1900, 1899, and 1898. We have no record of the profit made prior to 1901, but in answer to questions from the bench Mr. McVilly admitted that the Railway Department had landed a quantity of Government goods and they had derived benefits in that way. I have taken the difference between the receipts and expenditure in connection with the wharfages shown by the Railway Department on which they base their claim for the goodwill. Then I have allowed them interest at 3½ per cent. on £8,000, which I give them in as being the capital cost of the wharves and of any reclamation required in connection with the wharf. I do not for one minute admit that represents anything like what this railway wharf cost, even including the reclamation, but I have taken that for the purpose of computing these figures. Taking it at 3½ per cent., the percentage allowed by the Railway Department in their accounts, we have to add on in each year the amount of expenditure for that year, £280. After adding that £280 to the expenditure I have taken the difference and capitalized it at 3½ per cent., and I find that after allowing for the loss made in three years when there was a big capital expenditure out of profits, and after allowing for compound interest for the loss, as I have allowed for profits, I find the Department has received up to the 31st March, 1916, the sum of £12,401 18s. 4d.

Mr. Myers: You do not take into consideration the question of haulage and handling.

Mr. Weston: I have taken your own figures on which you base your claim for its value as a going concern. That point was never raised by the Department when they estimated what the goodwill of this building or wharf was. They have never, until they came into Court the other day, mentioned anything about haulage or handling; and seeing they were asking us to pay a goodwill worked out on exactly the same basis as I have worked out these figures—namely, taking the difference between the expenditure they have shown and the revenue, and showing that as a profit. I do not think it lies in their mouths now to add in something mythical of which they have given us no details.

The Chairman: You make out that they have standing to the credit of this wharf account, how much?

Mr. Weston: £12,401; and that is only from 1900. They had the wharf for many years prior to that, and in some years the revenue was pretty big. It is a large sum of money.

The Chairman: Then it is the only public work that has been constructed in the Dominion of which you can say that.

Mr. Weston: There is no flaw to pick in it.

The Chairman: What I suppose this will mean is that you will want the wharf and some of this money as well?

Mr. Weston: No, I always try to be fair. What I say is that in the past my clients have paid for this one and a half times over. In addition, they have had all the worry; and look at the efforts they have made to get justice! If we get justice now, and if the Department will meet us fairly in the future, we will not say anything about it in the future, but will cry quits. After all, Sir, it is only logical. It works out like that, but the Department say they want £28,000 in addition. When the district has been exploited and taxed for the last twenty years by the Railway Department, surely when they come to Court and say they have paid for the wharf, valuing the wharf at £8,000, which it never cost them, I think we are fair in asking for it for nothing. My friend has spoken about the work to be done by the Board, and he has addressed one of many curiously illogical arguments in this matter to the Commission. He says, "Let us still continue to demand and receive this excessive charge, because if we give you the right to impose that charge you will throw the money into the sea." Well, I can understand a somewhat illogical despot making a similar reply to his people who came to him and complained of excessive taxation, and he would say, "My dear fellows, don't growl. It is true I am taking a lot more out of your pockets than I ought to take, but you would only waste it." Also the thief saying, "I have taken money out of your pocket, my dear fellow, but you would only have spent it in drink." Once the local authority takes control it rests with the people who elect the members of the Harbour Board to decide one of two things: they will either decide they cannot improve the harbour, and in that case we will reduce the wharfage rates, or, if they decide to improve the harbour, what safeguards are there against their making any mistake and wasting the money? There are many. In the first place, I think it is quite clear that if the harbour is to be improved there must be a rating-area. That is the first step, and directly the Foxton Harbour Board can say "We have got the wharves at a fair price having regard to what we have contributed in the past," and directly they can say that any revenue from the harbour will not go to the railway, but will go towards improving the harbour, then they can go and say "We must help ourselves." Before they can go and raise a loan they must satisfy the ratepayers that they will get a fair return for their money, and that it is advisable in the interests of the port that the money should be provided. Those of us who have watched the work of getting rating-areas in New Zealand know the difficulty. There is the instance of Waitara and Opunake about fifteen years ago, and before any district will submit to a rating-area they have to get a very strong case put before them. Then it will be necessary to approach Parliament and get a local Bill. When they get the Bill through they have to get a poll of the ratepayers before the loan can be raised, and before they can spend that loan in harbour-improvement they must get the approval of the Marine Department. My friend's and the Railway Department's solicitude as to whether the money is going to be wasted we appreciate; but my friend need have no fear on that question. Now, with regard to the work to be done, and the present state of the harbour, my friend says the harbour is very much in the same state as it was in days gone by; but I think if your Honour will look at the statistics of arrivals and departures your Honour will see how in the last two years, at all events, there has been a strong tendency in the vessels to decline. If your Honour will also compare the details for the four months of 1916 with the four months of 1910, you will see that in 1916 there were practically only four vessels trading to the port, the "Queen of the South," "Kennedy," "Awahou," and "Wakatu"; whereas if you look at 1910 you will notice there was quite a large number of vessels coming in from time to time. Moreover, looking carefully at the dates of departure of one vessel, the "Queen of the South," which is the only regular trader to the port, you will notice that at certain periods in each month there is a delay of five to six and seven days at one period in her arrival and departure. That is due to the neap tides. My friend endeavours to put down this difference in the number of vessels to the quantity of coal brought in; but I would ask your Honour to look at the list prepared by Mr. Kellow and put in, which is really a complete statement of the statistics of the port made up to the 31st March in each year; so that all we have to do is to put against Mr. Kellow's list the list produced by Mr. McVilly of the Government imported coal for each year ending at the same date. Doing that I find this: he said the Government ceased to import at the end of 1908, and I find that for the period ending 31st March, 1908, the Railway Department imported through Foxton 11,763 tons, the total imported being 15,321 tons; so that, roughly speaking, the amount for customers outside the Government was only about 3,600 tons. The next year there were 16,063 tons, of which the Government only imported 8,307; so that that year the amount for private consumption was nearly doubled. Similarly, in the year 1910 there were 18,250 tons imported, of which the Government received 4,364. In the next year, 1911, there was a drop, 13,019 tons being imported, of

which the Government had 4,471. That drop continued steadily till 1913, when there was a revival. Out of 9,225 tons imported, 913 tons went to the Government, so that in that year the private consumption went up to about 8,200 tons. The following year there was a big drop, because only 6,580 tons were imported, of which 1,878 went to the Government; and in the next year 5,258 tons, out of which 579 went to the Government. Looking to the big drop in consumption of coal privately, and the arrivals of vessels in 1914–15, and considering the entries in Mr. Kellow's diaries of what happened to the vessels, it is quite clear that in the last two years there has been some deterioration in the harbour. That, to a great extent, accounts for the fact that there are only four vessels trading to that port now, because coal and cement, sugar, flour, and grain cargoes from the South are not carried in a regular trader like the "Queen of the South"—they are brought in by what are called coastal boats; and you will notice now the practically total absence of coastal boats calling at that port. We have the evidence of Mr. Deck, representing the Anchor Shipping Line, that they find it no longer practicable or profitable to deal with this port; and I think any one who knows anything about the coal trade will admit that to get freights into Foxton is one of the most difficult things possible. In regard to the strandings of the vessels, it is one of the duties of Mr. Kellow to keep an account of that in his diary. I have been through the 1915 and 1916 diaries, but the figures I am about to give will not impress the members of the Commission so much as reading the diaries. I find from the 1st January, 1915, to the 15th May, 1915—I am taking that period because I want to compare it with the same period in 1916—in that period there were four strandings inside, and there were no strandings on the bar. For a similar period in 1916 the "Queen of the South" was four times stuck in the river and twice on the bar. The "Wakatu" came in once only, and that time she stuck inside. The "Awahou" stuck five times inside and twice on the bar. So that we have fourteen strandings in the period of 1916, and there were only four strandings in the same period of 1915. Therefore the deterioration seems to have started some time in 1915. Then, for the period 15th May, 1915, to 31st December, 1915, there were fourteen strandings inside and two strandings on the bar—that is to say, during the latter part of 1916 there were sixteen strandings, as against four previously. I would submit, therefore, that there has been deterioration in the river, and the time has come when it has to be dealt with, considering the big interests that are involved. You have only to look at the tremendous growth of hemp and tow exported from Foxton to see how important is the harbour there. Looking also at the actual geographical position, it is the centre of a plain bounded roughly on the north by Marton and on the south by Shannon. Right over that plain a railway could be run on a grade of only 1 in 70, but if you work it from Wanganui and Wellington you will meet with insuperable grades. Of course, with regard to the natural deterioration of the harbour, that is what one would expect on account of the gradual disturbance of the rainfall by the stripping of the bush, and you have sudden rushes of water followed by periods when the water is lower than when the bush was there. You also have a considerable amount more detritus brought down, and I submit that the depth at the wharf which is affected by the detritus which is brought down the river will have to be met by dredging. We have had evidence from people living in Palmerston, all of whom, with the exception of Mr. Goldingham, who has a branch in Foxton, have indirect interest in Foxton itself, that in the interests of the district they should be entitled to get especially the heavier goods through Foxton. That is not the case at present, because of the Railway Department, who can say to a particular district, "You are not going to develop yourselves; you are not going to take full advantage of your natural facilities simply because it is going to take a small amount of profit from the Railway Department." The improvement of that harbour is more essential in regard to the import of sugar, coal, cement, grain, and flour. You will not be able to get those goods in unless there is a greater depth than we have now, because if you bring small loads in you have to pay prohibitive freights. The bigger the boat the cheaper she can run, and therefore the cheaper the freights. What I also desire to point out is that we do not desire to be ambitious—the Board has not got a very ambitious programme. They do not set out to get an ocean port—all they want is to get 12 ft. of water on the bar; and in these days of sand-suction dredges we have the evidence of the Engineer of the Wanganui Harbour Board, who thinks the deterioration of the river can be got rid of by this method of dredging. If we had thousands of pounds to throw away we might set up training-walls, but we think it could be remedied by a suction dredge. With regard to the fears of the Railway Department we have heard a great deal. One of the bogeys of the Railway Department is this fear of what they are going to lose. The profit is about £1,500 a year; and Foxton is part of a railway section which, as was shown by the figures yesterday, is paying by far the greatest percentage, outside of the small West Coast Section, on cost of construction of any section. Foxton is not the case of a branch line made after the construction of the main line.

The Chairman: I suppose you say the branch line goes to Palmerston?

Mr. Weston: Of course, no doubt we are to a certain extent. There is the case where a deviation is demanded by a locality by means of political pressure and those other means that the Railway Department has told us so much about, and where they get their branch connection. If they have got to pay for it, well, I have not much sympathy with them, because I consider they have brought it on themselves. But Foxton is not in that position. The connection there was made to suit the railway, not made to suit ourselves, and therefore we are fully entitled to say with regard to ourselves, "We are part of a connection which already pays 4·7 per cent. on the cost of construction when other parts pay a great deal less. So that by taking £1,500 a year from the net earnings of that section, amounting to £621,000 odd, I do not think the Railway Department has much to squeal about, and it is not much of a bogey to be afraid of. It speaks little of their confidence in that great district and of their powers of management to think they are not going to make up that £1,500 in much less than three years from now. Moreover, they seem to think that the whole thing they have to consider is the growth of the contribution from

the Railway Department to the Consolidated Fund. But that is not the only contribution to the Consolidated Fund: there are the Customs and income-tax, and, as Mr. Hennessy said, if you are going to thwart the district you do not know what you are going to rob the Government and the Consolidated Fund of in the way of Customs revenue and land and income tax. If you are going to put a hindrance in the way of every port of the Dominion, I think that probably the Dominion would lose more in the long-run from that policy than the small portions of revenue such as the Railway Department is frightened of in this case. Finally, there is another bogey. They said in effect, "If you do get your wharves, look out, we will impose a special rate." How business men of the eminence of these men— and they are good business men— can come into Court and put forward an argument of that kind astonishes me and I will tell you why. I asked a question of Mr. McVilly which he did not see the drift of. I asked him how many tons of goods were brought from Wellington to Palmerston and districts in between; but he could not tell me. He said there was a great deal more than £30,000 worth. What would a special rate mean? It would mean that in order to get a smaller rate of profit on some of the goods we now carry they are going to reduce their present profits on the larger quantity of goods that they now carry; and I submit that, looking to the immense amount of stuff now being taken from Wellington on the Manawatu line, it would be folly for the Railway Department to start a special rate on that line to cut against a little port like Foxton. They say they did it in the case of Oamaru, and the Hon. Mr. Millar, when Minister of Railways, said he would "Oamaru us." We have adopted Government railways in our Dominion to get rid of great abuses which have been created by private railways in other countries. We have given to the officials of the Railway Department big powers, and if the officials are going to use those powers simply from the narrow point of view of their own revenue to crush the districts, to prevent their natural development and to prevent the colonists in those districts getting the full benefit of the country in which they have settled, then I say it is a bad state of things. Take the case of Oamaru: Parliament gave the Oamaru Harbour Board authority to borrow money, and when they had spent that money with the approval of the Government, the Railway Department, with the whole power and finance of the Dominion behind it, ruined that unfortunate harbour. Now we have the Railway officials coming in here and saying, "We will Oamaru you." I ask, what kind of men are they? Is that the kind of thing to boast about and be proud of? At the last moment they come in with the suggested haulage charge. What does it amount to? We got it from Mr. Hiley clearly and definitely that if the Harbour Board brought to the railway goods-shed the goods that were to be carried there was no haulage charge to pay.

Mr. Myers: That is hardly correct.

The Chairman: If they sort the goods out.

Mr. Weston: Very well, that is very simple for the merchant to do. The Harbour Board will have control of the discharging, and I am sure they will run it as cheaply as the Railway Department. It is quite clear that whether the Harbour Board or the Railway Department comes in there must be a larger goods-shed, and as far as haulage is concerned, bringing an engine down and taking the empty trucks away, the only haulage will be for coal and perhaps some such heavy goods as sugar and grain. At present there is not much included in those items.

Mr. Myers: Do you say you can handle the goods and sort them?

Mr. Weston: Yes, they can be put into big lots on the wharf when discharging. If the Department is going to apply a different system to us from what is applied to other ports, then they will have to be met by similar tactics. The difficulty arises at present through their not having a proper shed, and if they had a proper shed instead of putting the goods into the trucks they would go straight into the shed.

Mr. Myers: My friend does not seem to understand the practical aspect of the question, or what sorting or handling means.

Mr. Weston: I think I know, and I think Mr. Williams and Mr. Hannay will know that so long as the goods are sorted on the wharf no charge can be made. So long as they are brought on trollies and put in the railway-shed there will be no charge for haulage. The only way they will be able to get at us for haulage will be on coal, which is a very diminishing quantity now. As to sugar and grain, we cannot get ships to bring them to Foxton at the present time. Another thing they will not get any haulage or sorting charges out of is hemp and tow, because four-fifths of that is not carried by the railway, and Levin and Co. have all the trouble of putting it on board. That is the case, and I submit with every confidence that we are entitled to that wharf for nothing. If my friend says he has not allowed for haulage, the item can only be a very small one, and I have allowed him £8,000 in my estimates of the profits of the Department in the last sixteen years for the cost of that wharf and land, and that is a great deal more than it ever cost.

Statement by Mr. SKERRETT. (No. 56.)

Mr. Skerrett: May it please the Commission,—It appears to me that the Railway Department has throughout this discussion treated the claim to extend the tramway to Marton with some form of connection with the Government railway-line as in the same position as a claim by a private company or private individual, and it has been prone to treat the claim as a claim not for the extension and connection of an existing tramway, but as a claim connected with an entirely new tramway. Now, those are not the considerations with which the Commission are to approach the question submitted to them. This is not a claim to extend by a private company or by private undertaking: it is not even a claim by one local authority: it is a claim by two counties to extend their tramway for the purposes of the progress and development of the district. Now, it is not the case either of the construction of a new tramway. The considerations which have been suggested by the Department might have applied with some force had it been proposed to establish and construct for the first time a connection between Marton and Himatangi or Marton and Foxton, but that is not the case. It

is the case of an existing tram-line which has been running for the past thirty years at least, junctioning, by the consent of the Railway Department, with the Government line at Himatangi, and, so far as that section is concerned, having the advantage of running-arrangements. Your Honour and members of the Commission, I think it is a fair inference to suggest that long ere this the tramway would have been extended to Marton, either with or without the connection with the Government line, but for the cost of bridging the Rangitikei River. It was that river which, no doubt, prevented the previous extension of this tramway. Now, I only mention that this tramway has proved of great utility to the district: it has conserved its roads, it has provided a means of getting its supplies and getting away part of its produce, and has also been useful in providing metalling for its roads. There is only the question of five or six miles which remain, and it is to complete an incomplete thing that this application is made. Now, your Honour, I submit that *prima facie* the desire of the district to extend the tramway to Marton and afford some form of connection should meet with the approval of the Commission unless the Department can show some substantial grounds for opposing that extension and refusing any connection. Now, your Honour, it is clear that the Railway Department does not object to an extension of the tramway to Marton provided a distance or a hiatus is left between Marton and the railway-station. It could not do so, but it is clear that the cost of constructing the extended tramway would not be justified if cartage and double handling is to be involved. I understand the objections may be put upon three grounds; but before stating those grounds I desire to refer to the statement made by Mr. McVilly in his evidence when he said the Department offered no objection to the carrying on the local railway of the local traffic purely—the local traffic from Wellington to Marton and from Marton south; and I think if you look at the evidence you will find Mr. McVilly made that statement. The objections, as I understand them, are threefold. The first is that the proposed extension and connection will carry a considerable amount of traffic to and from stations north and west of Marton—that it will carry, in point of fact, through traffic. Your Honour will see that this objection is founded on and arises from the existence of Foxton as a port. Without Foxton this diversion of through traffic would not be possible, and there could be no possible objection to the connection between the two lines. My learned friend Mr. Myers appeared to recognize this in his address, because he said the two questions were not disconnected. It is quite plain that it is the possibilities of the Port of Foxton which created the suggested fear of the diversion of through traffic. The second ground suggested is that the through traffic may be diverted from the Port of Wanganui to the Port of Foxton. The third ground is a perfectly general ground. It is this: that if some form of connection is effected, then the Department will be unable to resist pressure either to grant running-rights or, indeed, to itself construct the line from Marton to Himatangi or Marton to Foxton. Now, those objections are all made in the interests of the Department as a Department. They are made avowedly in its interests as a commercial concern. Now, it is not a commercial concern pure and simple: it is, as the learned President has said, a Department which has been granted an absolute monopoly of railway administration throughout the whole Dominion, and it is a Department that has thirty millions of money lent to it by the Government at the rate of 3½ per cent. I have no doubt there are two gentlemen on the bench who have had the control of large private and large local institutions, and I venture to say that many of their worries would have been relieved if they could have acquired their capital at the rate of 3½ per cent.; but those advantages, your Honour, were granted to the Department because it was not regarded as a mere commercial enterprise. It was regarded, it is submitted, as part of the Government administration of the country, and part of the machinery for the development and progress of the country. Now, there is this to be observed: the Railway Department has no incentive to initiative. Its policy, as a rule, is to show a return upon its existing lines up to the amount which it is the policy of the Department to produce. Left to its initiative alone, I venture to say there would be very little development of existing lines. I point out to your Honour that it had not the initiative to construct the Wellington-Manawatu Railway line, although even at that time——

The Chairman: The Railway Department had begun it. It was the Commission who came in and intervened.

Mr. Skerrett: The Commission intervened perhaps largely influenced by the Railway Department.

Mr. Chairman: I do not know that it was the Commission that did it. The work had been commenced.

Mr. Skerrett: Perhaps I am wrong. At any rate, I was only about to surmise that the Railway Department would have said about the time of the construction of the Manawatu Railway that that railway could very well have waited for a century or a century and a half. Now, your Honour, I want to point out—and this is an important point I am leading to—that the claim is put forward by the Railway Department that it has a monopoly of all business which can be carried on its line. Mr. Hiley speaks of all business which can be carried on its line as its business, and he describes as piracy any attempt to divert any part of the local traffic, even though it may be more advantageously carried for the benefit of the district. He does not put it, Sir, as we submit is the true test, the balance of convenience between the advantages to the particular district and the loss of revenue incurred by the construction of the proposed local railway-line. I have pointed out already that the Department does not raise objection against the diversion of purely local trade, and I submit it could not and ought not to do so, because a terminus at Marton, even though not connected with the railway-line, would serve one branch of the local trade, although it would not serve adequately the other branch of the local trade. Your Honour and members of the Commission will observe that there are two trades which affect the Sandon district: one is the trade from Sandon to Wellington, the other is the trade from Sandon north and from north to Sandon. The first class of trade would not be affected particularly by want of connection with the railway at Marton, but the trade to the north and from the north would undoubtedly be seriously affected by the non-connection with the railway-line. Your Honour

will remember that in my opening I pointed out—and I believe it has been established by the evidence that the main object of the existing tramway and the extended tramway so far as the Sandon district is concerned will be to get our merchandise, manures, and supplies from Wellington via the tram and via Foxton or Himatangi, whichever may be the cheaper. We carry little or nothing from Sandon to Wellington, with the exception perhaps of wool. Now, I understand the attitude of the Department is on the principle that it ought not in any way to assist the development of a port which might possibly come into competition with the railway, and on the further principle that it objects to give facilities for the carriage of local traffic if those facilities are likely to cause any diminution in the railway revenue. The whole question of the diversion of through traffic, as I pointed out, depends upon the possibilities of the Foxton Harbour. Foxton Harbour is at present a poor harbour, and probably always will be, capable, your Honour, of accommodating only small coastal vessels. With any practicable expenditure which a Harbour Board can make, it may or may not be capable of affording accommodation and shipping facilities for coastal vessels of a large type; but I submit that it is clear that no amount of expenditure will make Foxton capable of berthing or loading and discharging Home-carrying cargo-steamers. Now, I want to point out with what want of forethought the case for the Department has been presented to this Commission. It is suggested that Foxton is to be a successful competitor with Wanganui. It is Foxton who they fear will divert the trade from Wanganui, where, according to Mr. McVilly, it ought to go. I want to point out that Wanganui is almost past the experimental stage. It has been proved that they will be able to berth, load, and unload Home-carrying cargo-steamers; that probably much progress would have been made but for the fact that their dredge, which is built in England, cannot, owing to the war, be sent across the seas. Now, I want to ask the Commission to consider the advantages the Wanganui Harbour will possess over Foxton, and possibly as a competitor with the railway-line from Palmerston and from Auckland to Wellington. If produce can be taken to Wanganui and shipped direct into the Home-carrying cargo-steamer, look at the enormous advantage it will be; or if the produce can be unladen from the steamer into the railways of the Dominion at Wanganui, look at the enormous advantage that would entail. I venture to submit that so far from Foxton being any competitor to the Wellington-Palmerston line, the competitor that is to be will be Wanganui; and I submit it is hyper-timidity on the part of the Railway authorities to suggest that Foxton is in the least degree likely to detract from the traffic to Wanganui. I must say that the demeanour of the Railway Department with reference to the possibility of the loss of revenue reminds one of the trepidation and alarm which would be caused in a class at a young ladies' seminary if a little mouse appeared in a remote corner of the class-room. They are trying to frighten themselves with all sorts of bogeys. Now, may I trouble your Honour to consider what goods now go from Wellington to Marton, and what through traffic is likely to be affected by traffic from Wellington to Marton. I submit, none. The goods which go to the Sandon district are merchandise, groceries, sugar, kerosene, benzine, and manures. I venture to put to this Commission as business men: that it is in the highest degree unlikely that any of that traffic would go via Foxton beyond Marton. We know that Marton already has considerable traffic with Wanganui and with the Port of Wanganui. Take the exports of the district: what are they, and what go to Wellington direct? Only the live-stock does not go, and butter and cheese do not go. Grain and butter do not go via Foxton, and no part of it, it is submitted, would be diverted to the Foxton line. Now, in regard to the northern traffic, upon which great weight has been laid by us, what will that northern traffic consist of? It will consist of timber, posts, firewood, and coal, and possibly store sheep. It is submitted that none of that through traffic will be lost to the railway-line. It is ridiculous to suppose that timber and posts and firewood will go to Marton, then along the tram to Foxton, and be shipped at Foxton. Besides, it has been pointed out that the profitable part of the carriage of this traffic has been earned before its arrival at Marton. From Ohakune to Himatangi the rate is 3s. 6d. per 100 ft., and to Greatford 3s. 1d., so there is only 5d. for the carriage of forty-three miles. I submit that the objections as to a diversion of traffic are pure phantasms on the part of the Railway Department; but a further answer to it is this: that we are prepared to confine our connection with the railway to such conditions as will prevent us engaging in foreign or through traffic, and I will show that the Railway Department have it in their own hands to control that condition. The live-stock which my learned friend Mr. Myers referred to would be imported into Marton, would be fattened in the Sandon district, and would go to Wanganui, Feilding, or Longburn. The third objection is that this is the thin end of the wedge, and the hearts of the Railway officials are in a flutter lest, having got the thin end of the wedge in, the rest should rapidly follow through some form of pressure. I apprehend that if such a suggestion were acted upon all pioneer development and progress would be stopped, and I submit that it is impossible for this Commission, and improper for this Commission to assume that the Government or Minister of Railways, entrusted with the administrative affairs of the railways, is not capable of drawing the line at the proper condition. It is absurd to assume that moderation is to be impossible for fear it should degenerate into immoderation. I submit it is not a question that can be considered by this Commission. Now, we ask your Honour and gentlemen of the Commission for one of two recommendations. The first we ask for is a siding with a junction at or near Marton, with such interchange of traffic and such conditions only as the Railway Department think proper to prevent any appropriation of foreign traffic; or, second, if that be refused, say a terminal connection at the Marton Station—a dead-end. Gentlemen, it will be impossible to deny that there are grave objections to the interchange of traffic on the Government line and upon this tramway, arising from the character of the construction of the tramway, and arising from the weight of some of the Government trucks, and perhaps the character and construction of some of our trucks; but I desire to point out that all that can be regulated by the Railway Department. It is not sought to take from the Railway Department the control of their own line. It will be their function to prescribe the condition upon which the interchange of traffic would be permitted, and thus it will be seen that the suggestion that we should be able to appropriate foreign traffic can be met readily by the regulation of the Department and by the conditions which the Department will be able to invoke. I point out to your Honour that in that

event the line would only be a feeder for the Government railway-line. It would deal with local traffic, I admit, but that is not, I understand, objected to by the Department. I desire to point out that one could quite understand the vigour of the Railway Department in objecting to this connection if there was any solid basis for suggesting that we were to be a dangerous competitor for the carriage with the Railway Department. I submit there is no foundation for such a fear; and, your Honour, if it should prove that we are a greater competitor—though, as I have said, the remedy is absolutely in their own hands—they can have a right or option to purchase, or they may construct, as they please, a railway-line with which we could not possibly compete, and, as I pointed out, they may regulate the conditions of interchange of vehicles so as to prevent the carriage of foreign goods. May I remind the Commission that all the Government have got to do is to treat Marton as a terminal point on the terminus of the extended tramway, so as to make the carriage of foreign traffic practically impossible. All they have to do is to prevent the taking of foreign through traffic and foreign traffic cannot be practicably carried, and there is a complete end to the bogey which the Department raised. I do not want to occupy your time, and shall not be very much longer. I do not want to repeat the evidence already given, but I do ask the Commission to consider whether there is not satisfactory evidence that this district will increase in population, in subdivision, and in production, and that this line will be a useful feeder to the Government system. What is the experience of most railway companies? What has been the experience of Government lines, and, I suppose, partly the Wellington-Manawatu line? The traffic is constantly changing. In the early days the main traffic may have been timber, and I have no doubt the management often had troublesome times worrying what would happen when the timber industry was exhausted. But other traffic has sprung up and supplied its place, and this district of Sandon, which is a rich district, is not going to stand still. The returns which were put in by Mr. Wilson show an increase of subdivision from 1898 and 1899 to 1911. The subdivisions almost doubled themselves, and it will be found with subdivision that increased prosperity of the country will go on. I venture to put it to the Commission that the broad way which the Railway Department ought to look at it is this: "We can secure ourselves against the carrying of anything but local traffic. If facilities for the carriage of local traffic is going to develop the district, the increased progress of the district is going to help our railways." Because what are the two market towns of this district? Feilding and Palmerston North, on the Government line; and the development of this line is going to develop Feilding and Palmerston North, and possibly Marton. I do want to adopt what fell from the learned President of this Commission, that it is the policy of the Government to support and encourage branch lines, not by private individuals, but by Boards which are substantially public bodies. Your Honour will remember that under the Act of 1913 local authorities might become constructing railway authorities under the Railway Construction and Lands Acts which existed from the year 1881, and under the Act of 1914 provision has been made for facilitating the constructing of light branch lines, and section 74 of the Act provides expressly for their junctioning with the railway-line. But, your Honour, it is said that this will not be a branch line, but a loop line. I venture to say that no more technical argument has been adduced. In a sense it is a loop line, because it connects at two places on the Government line; but it is not in any sense to be a loop line because it is not expected that it will carry any foreign traffic, and we are prepared to submit to such conditions as will prevent the line from dealing with foreign traffic or other than local traffic. It has been said that a terminal connection has not been asked for before. I submit that is quite irrelevant to this question. Obviously we asked for perhaps a little more than we expect to get. Mr. friend Mr. Luckie reminds me that by the Act of last year local authorities were authorized to construct branch railways beyond their own district for the purpose of connection. I was saying that because we had not asked for a terminal connection is quite irrelevant. We had hoped to be able to ask the Commission to recommend an interchange of vehicles, but I have found, and the advisers of those concerned in this matter have found, that the Railway Department have grave objections at the present time and under present conditions to that course; and we at once concede that the Railway Department must fix for itself the conditions upon which any interchange of vehicles or any interchange of traffic is to be adopted. But we can hardly think it conceivable that the Railway Department will not give us facilities to ship on to our tramway such goods as were intended for local consumption within the district which may be conveniently done by a siding. The question as to whether the tramway will pay or not is quite beside this question. That is a matter entirely for the County Councils concerned. They are prepared to undertake the construction of the tramway, and it is their concern and not the concern of this Commission whether the tramway will pay. Now, your Honour and gentlemen, I have done. I have only referred, of course, to the most general topics, but I submit, if your Honour pleases, that when the objections of the Railway Department are closely analysed it will be seen that their objection is on what they call a principle—namely, to allow no facilities for local traffic which in their timidity they may think might slightly affect the railway revenue. They say their principle is not to draw a balance of convenience, not to consider the natural advantages of the district or the advantages which increased facilities would give to the district: they have only to consider one side, and that is whether there will be a loss of revenue to the Department. My submission is that that is not the right principle.

The Chairman: They say it is against what they call the public interest.

Mr. Skerrett: I submit that is a fallacious way of looking at the public interest. My submission is that the principle which I have already referred to is not the true principle, and will not receive the acceptance of the Commission. My further submission is that the objections of the Department are pure phantasms, and have no foundation in fact; and that further, the conditions to which we submit leave it in the complete power of the Railway Department to prevent our carrying any through or foreign traffic. I do want to say this: that I submit the evidence shows quite clearly that with the facilities offered of getting the goods cheaply to the railway-station the northern market will be open to us for reciprocal trade; we shall be able to get away our oaten chaff and other agricultural products to a district which purchases them, and be able to get in return products, like timber and so on, which are not produced in the district.

STATEMENT OF DANNEVIRKE CHAMBER OF COMMERCE.

THE following statement was forwarded to the Chairman of the Commission by the Dannevirke Chamber of Commerce:—

SIR,—

In availing itself of the courtesy extended to it by your Honour, in being permitted to submit a written statement bearing on the matters under investigation, my Council desires to confine its attention to that portion of the order of reference dealing with the proposal to remove the Main Trunk Railway junction from Palmerston North to Marton.

Wellington is the port of most commercial advantage to the Dannevirke district, and between this part of the country and the capital city there is a very close business connec ion. The business of a closely settled and rich dairying district, that is really only in the initial stage of its development, centres in Dannevirke, and to injuriously interfere with our railway communication with Wellington would mean seriously retarding commercial facilities, and the dislocation of a railway connection and a mail-service which, as far as Dannevirke and the southern portion of Hawke's Bay is concerned, would be difficult to excel.

To enable you to more readily comprehend our contention we purpose setting out, as briefly as possible, some of the advantages of the present system of connecting with the Main Trunk express trains at Palmerston North, in so far as they have a direct bearing on the convenience of residents in southern Hawke's Bay.

By leaving Dannevirke by a train at 9.6 a.m. one is able to connect with the Main Trunk express at Palmerston at 11.26 a.m., and Wellington is reached at 2.40 p.m., thus affording time for the transaction of business the same afternoon. A quick return can be made by catching the Main Trunk express at 9.10 p.m., reaching Palmerston North at 12.16 a.m., and leaving Palmerston at 7 a.m., arriving in Dannevirke at 9.5 a.m., continuing the journey to Napier if desired. Thus it is possible to leave Dannevirke one morning, have the afternoon in Wellington, and arrive back the following morning.

A more expeditious business trip still can be made by leaving Dannevirke at 9 p.m. and connecting with the Main Trunk express at Palmerston North at 3.20 a.m., arriving at Wellington at 6 a.m., permitting either the morning's business in Wellington and return to Dannevirke at 7.7 p.m., or a whole day's business and reaching Dannevirke on the return journey at 9.5 a.m. next day.

Advantage of this quick service can be taken by people living as far north as Waipukurau, with, of course, due allowance for the distance which has to be travelled by slow trains.

A return from the Railway Department shows that 545 passengers booked at Dannevirke for Wellington during the months of January, February, and March of the present year. This gives some evidence of the importance of our existing system of railway communication with Wellington.

It may be urged that the proposed deviation will not interfere with the important service we have outlined, but to junction with the Main Trunk at Marton means that the people of Hawke's Bay will be put to the inconvenience of having to travel a considerably greater distance by slow trains. Palmerston North is the natural junction for the Hawke's Bay line with the Auckland-Wellington Main Trunk, because it is the nearest point of contact. Hawke's Bay is at present served by one train-line, but there are rival agitations to have the system extended by lateral feeder lines or a loop line running from Masterton to Waipukurau. Should one or other of these schemes be authorized by Government, Palmerston North will be increasingly valuable as a railway junction with the Main Trunk, and this contention will apply with equal force when the Napier–East Coast Railway line is completed, which will open up a vast area of fertile country and materially increase the volume of traffic passing through Hawke's Bay.

Dannevirke was the centre of a sawmilling industry that preceded dairying in southern Hawke's Bay, and interest in the work of the bush is still kept alive by a business connection with sawmilling towns on the Main Trunk. Farming on the Main Trunk districts has also peculiarly appealed to people in this district, and there is a surprising community of interest between certain stretches of the northern line and southern Hawke's Bay.

The Main Trunk Railway, however, serves the whole of the people of Hawke's Bay, and it would be a serious and irksome inconvenience if the passenger traffic from this province had to be carried by slow train to junction with the Main Trunk at Marton. At present the Napier–Wellington express, which departs from Dannevirke at 12.11 p.m., arrives at Palmerston North at 1.52 p.m., allowing the Main Trunk for Auckland to be picked up at 4.15 p.m., or the Main Trunk passing through Palmerston North at midnight can be picked up by a slow train from Napier leaving Dannevirke at 9 p.m. and arriving at Palmerston North at 11 p.m.

If Marton were made the junction passengers from Hawke's Bay would probably be put to the inconvenience of travelling by three different trains with all the irksome inconvenience of changing, and would certainly have to travel a considerably greater distance by slow locomotion. This would unfairly penalize Hawke's Bay people and add materially to the unpleasantness of what is at present the most trying and wearisome railway journey in the Dominion.

The journey to Rotorua, would also be affected. The transport of invalids from southern Hawke's Bay to Rotorua is now facilitated by leaving Dannevirke with the 9 p.m. train and connecting with the Main Trunk passing through Palmerston North at midnight, but new terrors would be added to the trip if the slow train journey had to be extended to Marton.

Your Honour will readily appreciate the difficulties and inconvenience which would be occasioned to ladies travelling with small children and the requisite quantity of luggage, also the large amount of unnecessary suffering which would be entailed on invalids in the event of the Main Trunk junction being transferred from Palmerston to Marton, thus necessitating an additional change of trains, the attendant waiting at railway-stations, and consequent travelling in slow trains.

We understand it is contended that the removal of the Main Trunk junction is rendered necessary or expedient owing to the alleged congestion of railway traffic in or around Palmerston North. We submit that very little consideration will prove the weakness of this argument, and even were the allegation founded on fact, surely a ready remedy is to be had by an extension of existing railway facilities.

Your Honour, having comparatively recently travelled on the English railways, will readily appreciate the volume of traffic and the number of trains per day which are dealt with by any one of the many well-known stations, not only in and around London, but in any other of the large railway centres in the United Kingdom.

In conclusion, the Council of my Chamber is strongly of opinion that were the consequences of the suggested alterations fully realized throughout Hawke's Bay there would have been representations to the Commission from practically every local body of importance, not only in this province but also from the northern Wairarapa, as our contentions not only apply to our own immediate neighbourhood, but equally to the districts just referred to.

Yours very truly,

T. M. Webb, President.

Walter Dobson, Secretary.

The Hon. Sir Robert Stout, K.C.M.G., Chairman of Royal Commission, Wellington.

RESOLUTIONS OF PUBLIC BODIES.

In addition to the resolutions of public bodies placed before the Commission by Mr. W. McKenzie, and printed as part of his evidence, the following resolutions were forwarded to the Commission :—

Dannevirke Chamber of Commerce.

The Dannevirke Chamber of Commerce desires to lodge an emphatic protest against any deviation of the Main Trunk Railway line that would rob the Hawke's Bay Province and East Coast district generally of the convenience of the junction at Palmerston North. The Chamber of Commerce further considers that before any large sum of money is expended on the duplication of existing lines the main arterial lines of the Dominion should be completed, and in this connection would emphasize the disadvantage under which the east coast of the North Island is placed through lack of railway communication.

Raetihi Chamber of Commerce.

That the Raetihi Chamber of Commerce support the proposed deviation of the Main Trunk Railway from Levin to Marton, and urge that something definite in the matter be done at once.

Kaipara Chamber of Commerce.

That the secretary write to the Chairman of the Foxton Harbour Board and Marton-Levin Deviation Commission setting forth that while there remains so great an extent of the Dominion unprovided with access either by road or rail, the time is not opportune for the expenditure of so large a sum of public money in the duplication of a railway through a settled district.

EXHIBITS.

I. EXHIBITS RELATING TO FOXTON WHARF AND HARBOUR.

EXHIBIT A.

STATEMENT OF RECEIPTS AND EXPENDITURE IN CONNECTION WITH FOXTON WHARF, 1885–1916.

(Put in by Mr. McVilly.)

Year.	Receipts.	Expenditure.	Net Revenue.
	£ s. d.	£ s. d.	£ s. d.
1885	1,332 1 10	Information not available.	
1886	1,451 13 11		
1887	1,147 3 7		
1888	377 16 0		
1889	605 7 0		
1890	1,195 5 1		
1891	598 13 8		
1892	627 11 11		
1893	829 19 9		
1894	953 1 10		
1895	892 6 4		
1896	866 16 0		
1897	941 19 2		
1898	991 19 4		
1899	1,026 16 10		
1900	1,244 15 2		
1901	1,163 13 1	594 1 4	569 11 9
1902	1,289 2 1	726 3 2	562 18 11
1903	1,404 7 1	1,627 11 1	223 4 0
1904	1,575 3 4	1,797 6 7	222 3 3
1905	1,795 11 5	919 16 11	875 14 6
1906	1,953 11 5	1,046 6 5	907 5 0
1907	2,124 6 4	1,088 0 11	1,036 5 5
1908	2,113 5 9	897 7 3	1,215 18 6
1909	2,205 17 8	1,119 4 0	1,086 13 8
1910	2,819 14 5	1,404 17 11	1,414 16 6
1911	2,880 12 3	1,465 7 4	1,415 4 11
1912	2,865 1 11	1,530 16 11	1,334 5 0
1913	3,757 10 11	1,864 19 10	1,892 11 1
1914	3,359 9 9	1,897 0 4	1,462 9 5
1915	3,185 3 4	3,271 7 2	86 3 10
1916	3,612 7 4	1,989 9 1	1,622 18 3

NOTE.—Total of £23,239 16s. 3d., expenditure, is made up as follows: Labour, £19,217 7s. 3d.; dredging, £1,465; maintenance, £2,485 9s.; additions, £72.

EXHIBIT B.

REPORT ON FOXTON HARBOUR AND WHARF, BY C. H. HOWARTH, ESQ., ENGINEER TO WANGANUI HARBOUR BOARD.

(Put in by Mr. C. H. Howarth. See page 18.)

SIR,— Wanganui, 5th April, 1916.

In compliance with your request I have visited and inspected Foxton Harbour and Wharf with a view to advising on an improvement scheme and the giving of evidence thereon before a Commission.

On the 18th April, 1911, I submitted a report on improving the harbour, and the suggestions contained in that report had necessarily to be on a very small scale owing to the want of funds, but now that sufficient funds are likely to be available, work on a more substantial basis can be entertained.

As previously advised, and for the reasons set forth in my former report, I have to recommend that dredging is the best method of carrying out the improvements. The most suitable machine for this purpose would be a twin-screw trailing suction hopper dredger of a capacity and draught to suit the conditions existing in your river. The dredge would be on the same principle as the Westport Harbour Board's new dredger the "Eileen Ward," also similar in many respects to the "T. King" dredger of New Plymouth—slightly larger in size, more powerful, and fitted with all the latest improvements for this type of dredge, and suitable in every way for dealing with the work required—viz., establishing 14 ft. in the river-channel and 15 ft. on the bar at high water spring tides. The hopper capacity would be 80 cubic yards, draught (loaded) 7 ft., fitted with suction-pipe and specially designed head, capable of dredging to a depth of 30 ft. below light water-line, and filling the hopper with sand, gravel, or silt in from eight to ten minutes.

It is quite possible that a handy seagoing dredge of this type would be in request, and when not required for work in the harbour could be hired out to other Harbour Boards.

The dredge would be capable of discharging the spoil through a shore delivery-pipe, similar to the dredge now in course of construction for the Wanganui Harbour Board, or dump at sea.

As an example of the capacity of one of these small dredges I may mention the figures supplied to me by the New Plymouth Harbour Board relative to the dredge "T. King." This dredge, which is of only 50 cubic yards hopper capacity, puts through 100,000 cubic yards of sand per annum, at a cost of 2½d. per cubic yard, working on a twelve-hours shift. The annual cost works out at £1,041 for a twelve-hours shift, or equal to £694 for an eight-hours shift, for the "T. King" dredger. With a dredge such as is proposed for Foxton and having a hopper of 80 cubic yards capacity, the material that would probably be dealt with per annum, allowing for an eight-hours shift, would amount to 108,000 cubic yards. The estimated annual working-expenses, including wages, coal, oil, and repairs, for this dredge is £1,200, or slightly over 2d, per cubic yard.

Owing to the absence of a detail survey of the river and entrance it is impossible to give a very accurate estimate of the spoil to be dealt with, but I am of opinion, from soundings taken and the information supplied by your Harbourmaster, and after making liberal allowances for travelling silt, &c., that the spoil to be removed from the river shoals and bar is well within the dredge's capacity working for twelve months on an eight-hours shift. In other words, it will take about twelve months to obtain 14 ft. in the river and 15 ft. on the bar. This allows for a cut 75 ft. wide in the river and 150 ft. on the bar. These depths having been obtained, the work of maintenance would probably be light.

From the experience of Wanganui and its tidal compartment I am of opinion that there would be little expense in maintaining the channel in the Manawatu River. The bar channel is a different matter, for owing to the want of training-walls it is entirely governed by the weather, and no doubt periodical dredging will be required, but experience proves that a good channel once dredged remains good for a considerable period.

For your information I may mention examples of successful dredging on bars where the depth has been maintained entirely by suction dredges of a type similar to the dredge proposed—viz., Westport, Durban, Ostend, and Mersey—in all of which cases the conditions as to sea and sand-drift are much more severe.

The advantages in favour of dredging at the entrance of the Manawatu River are as follows: (1) Deep water comparatively close in; (2) good line of entrance to prevailing wind; (3) moderate sea.

In my opinion the bar channel should be fixed by the erection of half-tide training-walls, and from the experience of Wanganui there is no doubt whatever that such work would give the desired extra water. I understand that this work cannot be entertained in the meantime owing to want of funds. Not having any data, I am unable to give any indication as to the cost of training-walls.

I have gone into the cost of a dredge, and find that, delivered under steam, the amount will be £8,500. I find it impossible owing to war conditions to get any quotation for all the necessary machinery and steel-plated hull, and have had to be satisfied with a scheme providing for a timber hull with a portion of the machinery second-hand but in first-class order and nearly new.

The dredge would have the suction-pipe so designed that dredging could be carried on while under steam, which is the only method of dredging in a seaway. Winches would be provided for dredging on moorings in the river-channel if found necessary, and at the berthage at the Town Wharf. By arranging the suction over the side the vessel could be fitted for towing, and would be a valuable asset to the Board for towing barges laden with rubble for harbour-works or for towing sailing-vessels. In connection with this class of vessel I may instance the case of Wanganui, where the small tug "Togo" handles all the sailing-vessels laden with coal from Newcastle for the local gasworks, and there is no reason why the same should not be done at Foxton, the Harbour Board handling the coal for Palmerston North gasworks. Wanganui River at the present time has only 13 ft. at average high water springs in the river-channel, and these coal-laden vessels are coming to the wharves without difficulty.

Re wharf: I inspected the Railway Wharf at Foxton, and have to report as follows: The length of the wharf is 512 ft. and the width 12 ft. An entirely new wharf of these dimensions suitable for carrying locomotives could be built for £5,000 in Australian timber. My valuation of the wharf for labour and materials as it now stands, after making allowance for the old timber in it and for the renewals of deck and stringers in Australian timber, is £3,300.

I have, &c.,

The Chairman, Foxton Harbour Board, Foxton. C. H. Howarth, C.E.

EXHIBIT C.

REPORT OF MR. C. H. HOWARTH ON FOXTON HARBOUR PREPARED IN 1911, WITH MARINE ENGINEER'S REMARKS THEREON.

GENTLEMEN,— Wanganui, 18th April, 1911.

In compliance with your request I have the honour to furnish the following report on Foxton Harbour, more particularly in reference to the improvement of the bar.

Owing to the financial position of the Board works of a permanent nature cannot be considered: it therefore resolves itself into a question of suggesting a remedy that will be within the means of the Board.

After an examination of the entrance and channel I would recommend the purchase of a sand-suction hopper dredge to work in the bar, of a type similar to the "T. King," at present in use at New Plymouth. A second-hand machine could probably be obtained in the Australian States at a cost not exceeding £1,500, failing which a new machine could be built for about £2,500. Such dredges have been found too small for the requirements of large harbour-works, but would suit the work required at Foxton both as to draft and capacity.

From past records it appears that the river (tidal and fresh waters) under normal conditions keeps the bar in a workable condition for at least nine months in the year, giving 12 ft. at high-water average spring tides. It may therefore be assumed that (at most) three months would cover the period of work required of the dredge, but so long as these conditions continued would the dredge require to be kept going to maintain the necessary 12 ft. Allowing for the slopes of the bar from the crest, 600 ft. should cover the length of the cut, which would entail the removal of 3,300 cubic yards for a channel 100 ft. wide, and which the dredge would remove in ten days of eight hours' work each, allowing for one hour to each trip. The dredge would also be available for lowering shoals which form occasionally at Hartley's and Robinson's bends and at Duncan's.

The estimated cost of working the dredge, including all charges for period indicated, would be not more than £500. The dredge would have to be maintained during the time it was laid up so that it could be put into commission at short notice. The maintenance would be carried out by the Board's staff.

I examined the Railway Wharf and found it fairly sound, but as it is built of native timber and has been erected for thirty years it may be considered to have seen its best days. It is well known that in all such structures built with native timber after a period of twenty years they may be considered as having served their period of usefulness. The timber may not be actually rotten, but it is perished. An entirely new wharf, in Australian timber, and of a better and stronger design, could be built at a cost of £10 per lineal foot. With reference to permanent works at the entrance similar to what is being carried out at Wanganui, before an indication of these could be framed it would be necessary to have my complete surveys and investigations made, but with such a good river discharge and fine tidal compartment the possibilities of a good harbour for much larger traders are beyond doubt.

I have, &c.,
C. H. HOWARTH,
Civil Engineer.

The Chairman and Members, Foxton Harbour Board, Foxton.

Marine Engineer's Remarks on above Report.

OWING to the long length and width of river to be dealt with between Foxton and the bar, it will not be possible, as Mr. Howarth mentioned, to construct works of a permanent character for confining the river. The alternative must be dredging, as described. It may be possible to purchase a dredge for the price mentioned and carry out the dredging in the same time and at the annual cost, but I am afraid Mr. Howarth is a little too sanguine. Owing to the immense quantity of sand to be dealt with, it will not be possible on removing any from the channel to convey it clear of the river. The best course, therefore, and practically the only one which can be adopted, is to lift it from the part of the channel required for navigation, and deposit it a short distance on either side by means of a floating pipe. It is almost impossible to say what the annual cost of the dredging would amount to, owing to the changes in the channel which occur with every flood. I think, however, that it will cost more than estimated.

R. W. HOLMES.

3rd August, 1911.

EXHIBIT D.

REPORT ON FOXTON HARBOUR AND WHARF, BY S. JICKELL, ESQ., BOROUGH ENGINEER, PALMERSTON NORTH.

(Put in by Mr. Jickell. See page 20.)

SIR,— 22nd April, 1916.

I have inspected the Railway Wharf at Foxton and have the honour to report as follows:—

I am informed that the wharf was constructed in the year 1882, but it appears to me that the work was performed at two different dates, as the down-stream portion of twenty-five bays is of two-pile work and the up-stream portion of nineteen bays is of three-pile work, each having spans of 10 ft. and 14 ft. respectively, with timbers of various sizes, the piles generally being 12 in. by 12 in, stringers 15 in. by 9 in., headstocks 15 in. by 8 in. and 14 in. by 12 in., braces 10 in. by 6 in. and 9 in. by 6 in., the sheathing being 4 in. in thickness, whilst it is evident that all the original timber was of totara.

The wharf as it stands to-day has at the upper portion been extensively repaired by the addition of hardwood stringers, some headstocks, and new decking; but I estimate that a similar structure of the same dimensions and strengths of timber could have been completed just before the commencement of the war, and of Australian hardwood timber, for a sum not exceeding £5,500 exclusive of railway-tracks; but owing to the age and deterioration of the understructure I estimate the present value of the wharf at the sum of £3,700; but at the same time I may state that with such repairs as have been carried out in the past the structure can be made to do duty for some years yet.

Yours faithfully,

W. Bock, Esq., Secretary, Foxton Harbour Board. SAMUEL JICKELL, A.M.I.C.E.

EXHIBIT E.

EXTRACTS FROM HARBOURMASTER'S DIARY, SHOWING NUMBER OF STRANDINGS, 1913–16.

(Put in by Mr. F. Lawton, Harbourmaster, Foxton. See page 28.)

Date.	Name of Vessel.	Where stuck in River.	Tides missed before Relief.	Remarks.
1913.				
Feb. 5 & 6	Queen of the South and Kennedy	Duncan bend ..	3	Had to discharge part cargo.
Mar. 1	Queen of the South	,, ..	2	Discharged part cargo.
,, 5	Kaitoa	..	..	Had to order on to Wanganui. Bar bad.
April 27	Queen of the South	Duncan bend ..	3	Had to discharge part cargo.
July 29–31	,,	Robinson bend ..	5	Had to discharge nearly all cargo.
1914.				
May 17–24	,,	Fisherman's bend ..	14	Stuck on bank for one week. River very bad.
Sept. 9	Waverley ..	..	..	Had to order on to Wanganui. Bar very bad.
,, 19	Awahou ..	Duncan bend ..	3	Had to discharge all cargo. (Nearly 200 tons.)
Dec. 31	Queen of the South	Robinson bend ..	4	..
1915.				
Jan. 18–20	Kennedy ..	Rush Flat ..	3	..
May 11	Awahou ..	Duncan bend ..	2	Had to discharge cargo.
July 27 & 28	Awahou, Waverley	,, ..	3	River very bad.
Aug. 5 & 6	Queen of the South	,, ..	2	..
,, 26	Awahou ..	..	2	..
1916.				
Jan. 18	Queen of the South	Robinson bend ..	1	..
Feb. 11–13	,,	Fisherman's bend ..	5	Had to discharge 100 tons cargo.

EXHIBIT F.

LETTER, NEW ZEALAND EXPRESS COMPANY (LIMITED) TO MR. W. PARK.

(Put in by Mr. W. Park. See page 41.)

DEAR SIR,— Wellington, 29th March, 1916.

With reference to two cases of blotting-paper ex "Rimutaka": The "Queen" has been unable to get out of Foxton for the last few days, but we understand she is due in Wellington to-day. Owing to the congested cargo, the agents cannot give us any definite promise that your goods will go forward by this trip. In the event of us not being able to get them on board, if you wish to have them railed to avoid further storage, kindly advise us and we will arrange this.

Yours faithfully,

THE NEW ZEALAND EXPRESS COMPANY (LIMITED).

Mr. William Park, Palmerston North.

EXHIBIT G.

TABLE SHOWING NUMBER OF VESSELS TRADING TO FOXTON FROM 1ST APRIL, 1909, TO 22ND MAY, 1916.

Month.	1909.		1910.		1911.		1912.		1913.		1914.		1915.		1916.	
	Number of Vessels.	Registered Tonnage.	Number of Vessels.	Registered Tonnage.	Number of Vessels.	Registered Tonnage.	Number of Vessels.	Registered Tonnage.	Number of Vessels.	Registered Tonnage.	Number of Vessels.	Registered Tonnage.	Number of Vessels.	Registered Tonnage.	Number of Vessels.	Registered Tonnage.
January	..	..	23	2,850	20	2,493	21	2,437	18	2,194	15	1,814	16	1,867	12	1,483
February	..	..	20	2,446	18	2,084	22	2,601	18	2,282	17	2,075	21	2,715	19	2,227
March	..	..	21	2,449	23	2,839	16	1,811	22	2,800	20	2,568	15	1,869	16	1,980
April	16	1,834	15	1,650	13	1,589	17	2,028	14	1,890	15	1,867	18	2,224	10	1,340
May	19	2,123	11	1,329	26	3,161	22	2,556	12	1,554	16	1,924	15	1,879	5	675
June	14	1,620	10	1,202	13	1,482	17	1,924	18	2,253	15	1,832	14	1,700	..	..
July	22	2,567	16	1,814	20	2,322	17	2,040	20	2,446	17	2,064	14	1,768	..	..
August	30	3,594	21	2,350	20	2,193	20	2,399	22	2,814	12	1,413	17	2,091	..	..
September	27	3,254	21	2,467	17	1,979	12	1,396	21	2,740	13	1,604	16	1,961	..	..
October	18	2,056	18	2,095	5	473	24	2,678	23	2,726	12	1,385	15	1,869	..	..
November	21	2,519	24	2,897	11	1,188	23	2,694	1	181	13	1,478	10	1,292	..	..
December	19	2,278	20	2,301	15	1,631	20	2,403	9	1,219	11	1,312	14	1,703	..	..
Totals ..	186	21,845	220	25,900	201	23,434	231	26,967	198	25,099	176	21,366	185	22,938	..	..

EXHIBIT H.

TABLE SHOWING DETAILS OF ARRIVALS AT FOXTON FOR FIRST THREE MONTHS OF 1910.

Date.	Vessel.	Tons.	Date.	Vessel.	Tons.	Date.	Vessel.	Tons.
1910. Jan.			1910. Feb.			1910. Mar.		
1	Kennedy ..	131	2	Gertie	119	1	Queen of the South	121
1	Himitangi ..	149	3	Queen of the South	121	7	,,	121
1	Queen of the South	121	5	Gertie	119	9	Gertie	119
6	,,	121	7	Queen of the South	121	10	Queen of the South	121
9	,,	121	8	Kennedy ..	131	11	Kapuni ..	97
10	Himitangi ..	149	8	Kaitoa ..	118	12	Putiki	157
13	Queen of the South	121	10	Queen of the South	121	13	Queen of the South	121
13	Kapuni ..	97	11	Kapuni ..	97	13	Himitangi ..	149
14	Himitangi ..	149	13	Gertie	119	13	Kennedy ..	131
15	Kapiti ..	114	13	Himitangi ..	149	16	Queen of the South	121
16	Queen of the South	121	13	Queen of the South	121	16	Gertie	119
17	Kennedy ..	131	17	,,	121	16	Wairau	59
19	Queen of the South	121	18	Echo	99	21	Queen of the South	121
23	,,	121	21	Queen of the South	121	21	Gertie	119
25	Kaitoa ..	118	24	Kennedy ..	131	23	Wootton ..	90
25	Kennedy ..	131	24	Putiki	157	24	Queen of the South	121
25	Kapiti ..	114	24	Queen of the South	121	24	Gertie	119
25	Moa	92	25	Moa	92	28	Queen of the South	121
26	Queen of the South	121	26	Himitangi ..	149	28	Himitangi ..	149
27	Gertie	119	26	Gertie	119	28	Kennedy ..	131
27	Kaitoa ..	118				28	Moa	92
29	Himitangi ..	149						
29	Queen of the South	121						
	Total 23 vessels ..	2,850		Total 20 vessels ..	2,446		Total 21 vessels ..	2,499

EXHIBIT I.

TABLE SHOWING DETAILS OF ARRIVALS AT FOXTON FOR FOUR MONTHS OF 1916.

Date.	Vessel.	Tons.	Date.	Vessel.	Tons
1916.			1916.		
January 2	Awahou	151	March 1 ..	Awahou	151
,, 3	Queen of the South ..	121	,, 2 ..	Queen of the South ..	121
,, 6	Kennedy	131	,, 3 ..	Wakatu	92
,, 7	Queen of the South ..	121	,, 4 ..	Awahou	151
,, 9	Kennedy	131	,, 5 ..	Queen of the South ..	121
,, 11	Queen of the South ..	121	,, 7 ..	Wakatu	92
,, 14	,, ..	121	,, 9 ..	Queen of the South ..	121
,, 18	,, ..	121	,, 9 ..	Kennedy	131
,, 20	Wakatu	92	,, 9 ..	Waverley	93
,, 21	Kennedy	131	,, 12 ..	Queen of the South ..	121
,, 21	Queen of the South ..	121	,, 17 ..	,, ..	121
,, 25	,, ..	121	,, 21 ..	,, ..	121
			,, 22 ..	Awahou	151
	Total 12 vessels ..	1,483	,, 24 ..	Queen of the South ..	121
			,, 25 ..	Awahou	151
			,, 31 ..	Queen of the South ..	121
February 1	Queen of the South ..	121			
,, 1	Awahou	151		Total 16 vessels ..	1,980
,, 3	Queen of the South ..	121			
,, 3	Waverley	93			
,, 5	Kennedy	131			
,, 6	,, ...	131			
,, 6	Queen of the South ..	121			
,, 8	Waverley	93			
,, 8	Kennedy	131			
,, 10	,, ...	131	April 2 ..	Awahou	151
,, 11	Queen of the South ..	121	,, 4 ..	Queen of the South ..	121
,, 16	,, ..	121	,, 5 ..	Kennedy	131
,, 17	Wakatu	92	,, 6 ..	Awahou	151
,, 19	Queen of the South ..	121	,, 8 ..	Queen of the South ..	121
,, 19	Wakatu	92	,, 18 ..	,, ..	121
,, 20	Waverley	93	,, 19 ..	Awahou	151
,, 22	Queen of the South ..	121	,, 21 ..	Queen of the South ..	121
,, 25	,, ..	121	,, 27 ..	,, ..	121
,, 29	,, ..	121	,, 28 ..	Awahou	151
	Total 19 vessels ..	2,227		Total 10 vessels ..	1,340

From 2nd to 22nd May, 1916—5 vessels, 675 tons.

EXHIBIT J.

TABLE SHOWING TRADE DONE BY LEVIN AND CO. THROUGH PORT OF FOXTON, 1907–16.

(Put in by Mr. A. J. Kellow. See page 23).

Year.	Outward Trade.					Inward Trade.		
	Wool.	Hemp.	Tow.	Tallow and Pelts.	General Cargo.	General Cargo.	Timber.	Coal.
April-March.	Bales.	Bales.	Bales.		Tons.	Tons.	Feet.	Tons.
1907–8	3,917	11,255	2,138	628	936	8,711	179,481	15,321
1908–9	5,476	14,817	3,302	765	934	10,411	90,697	16,063
1909–10	6,531	21,889	6,053	1,661	938	13,987	47,386	18,250
1910–11	6,998	28,857	7,253	1,857	1,065	16,251	86,764	13,019
1911–12	8,527	32,969	6,511	1,449	1,093	15,750	54,932	11,961
1912–13	8,864	41,032	7,004	1,438	947	17,131	152,762	7,944
1913–14	7,974	36,145 [6,601]	8,370 [4,572]	1,931	980	16,656	143,534	9,225
1914–15	7,942	31,554 [3,774]	6,250 [2,192]	2,288	798	17,386	94,909	6,580
1915–16	6,984	35,635	5,282	1,637	1,525	16,437	35,436	5,258

The figures in brackets indicate the additional number of bales which would have been shipped but for harbour troubles.

EXHIBIT K.

COMPARATIVE RATES OF FREIGHT, ETC., ON WOOL, SKINS, TALLOW, PELTS, AND HIDES FOR EXPORT FROM VARIOUS STATIONS VIA FOXTON TO WELLINGTON, AND PER RAIL TO WELLINGTON DIRECT.

(Put in by Mr. M. A. Elliott. See page 34.)

From	Number of Bales, 1914–15.	Wool and Skins, per Bale.		Tallow and Pelts, per Ton.		Hides, per Ton.	
		Via Foxton.	Rail Direct.	Via Foxton.	Rail Direct.	Via Foxton.	Rail Direct.
		s. d.	s. d.	s. d.	s. d.	s. d.	s. d.
Palmerston North	10,447	5 1	5 10	25 6	33 4	31 0	38 1
Feilding ..	13,823	5 9	6 2	29 9	35 2	36 6	41 4
Marton		6 3	6 6				
Hunterville	15,363	6 9	6 11	..	..	..	..
Taihape ..		7 4	7 5				
Woodville	17,564	6 1	6 4	32 3	35 11	39 6	42 4
Dannevirke		6 6	6 8				
Pahiatua ..		6 2	6 4	36 8	37 2	36 7	44 0

Above rates are calculated without taking into account the increased railage of 10 per cent., and the increased wharfage in Wellington of 3d. per bale on wool and 4d. per ton on general cargo. These alterations increase the cost of direct railage to Wellington more than the cost via Foxton.

Wellington wharfage on wool, tallow, &c., via Foxton for overseas shipment is paid by shipping companies, but if for local sale in Wellington, then Wellington wharfage would have to be added to above via Foxton rates.

EXHIBIT L.

STATEMENT SHOWING AMOUNT OF TRADE THAT WOULD BE DIVERTED TO FOXTON IF HARBOUR CONDITIONS SUITABLE.

(Put in by Mr. J. C. Young. See page 33.)

I. Produce only (*i.e.*, grain such as oats, wheat, barley, and grass-seed) that would be diverted to Foxton if conditions there were suitable :—

	Class E. Tons.	Class E and a Half. Tons.
Barraud and Abraham (Limited)	450	300
Watson Bros. (Limited)	400	5
Hodder and Tolley (Limited)	1,000	80
Crabb, E. H.	300	10
Dalgety and Co. (Limited)	250	75
Manawatu Mills Company	3,000	..
Palmer, A. J., and Co. (Limited)	400	..
Goldingham and Beckett (Limited)	500	50
	6,300	520

II. Saving in freight if coming via Foxton instead of Wanganui, the cheapest port at present :—

	£ s. d.
6,300 tons Class E goods (difference in railage and wharfage, 5s. 5d.)	1,706 5 0
520 tons Class E and a half goods (difference in railage and wharfage, 7s. 5d.)	192 16 8
	£1,899 1 8

III. The above trade is only that of the merchants specified; what the district as a whole would bring through would be decidedly greater.

We agree with the above statement; we also strongly support the present movement to place the wharf in the hands of the Foxton Harbour Board.

P.p. Hodder and Tolley (Limited):
J. C. Young.
Barraud and Abraham (Limited):
per J. Stalker.
Dalgety and Co. (Limited):
(T. A. Moodie, Sub-manager):
per E. J. Fannin.
A. J. Palmer and Co. (Limited):
A. J. Palmer, Managing Director.
E. H. Crabb.
Watson Bros. (Limited):
N. H. Sinclair, Manager.
Goldingham and Beckett (Limited):
T. S. Goldingham, Managing Director.
For Manawatu Mills Company:
James McGill.

EXHIBIT M.

Statement showing Coal received ex Ship at Foxton by Railway.

(Put in by Mr. McVilly.)

Year ending 31st March,	1905	9,894 tons.
,,	1906	3,111 ,,
,,	1907	12,042 ,,
,,	1908	11,763 ,,
,,	1909	8,807 ,,
,,	1910	4,364 ,,
,,	1911	4,741 ,,
,,	1912	4,406 ,,
,,	1913	1,528 ,,
,,	1914	913 ,,
,,	1915	1,878 ,,
,,	1916	579 ,,
	Total	64,026 tons.

EXHIBIT N.

Statement of Position *re* Coal as Affecting Foxton Port.

(Put in by Mr. E. H. Crabb. See page 37.)

Total amount of New Zealand coal imported into district, including Feilding, Woodville, Tokomaru: Steam, 11,000 tons; gas, 7,000 tons; household, 4,000 tons.

Estimated saving if harbour 11 ft. instead of as at present: 2s. per ton. Saving to district, £2,000.

Newcastle: Gas, 2,900 tons; household and steam, 1,000 tons. Saving on Newcastle, 4s. Saving to district, £800. Total saving, £2,800 per annum.

In our opinion the present high price of coal is detrimental to the progress of this town and district. Several large industrial concerns have started here—*e.g.*, Nestle's Milk Company. The Blackball Company at present would import 5,000 tons per annum through Foxton if boats were available. In 1911–12(?) my company had a railway contract for delivery at Foxton of 5,000 tons, of which the greater part was not delivered owing to boats not being available. At present the harbour is shunned by shipowners owing to its bad condition. It is much worse than five years ago. In my opinion this is owing to nothing being done to keep it in order.

We, the undersigned coal-merchants of Palmerston and district, have read the statement of the position *re* coal as affected by Foxton Harbour handed in to the Foxton Harbour Committee by Mr. Crabb, and approve of statements contained therein.

We are heartily in support of the movement to strengthen the Foxton Harbour Board's financial position, considering the port has been very much neglected, and that the progress of this district has been detrimentally affected thereby.

M. J. Kennedy, Manager, Gas Department.
Hodder and Tolley (Limited):
(Agents Paparoa Coal Company, Limited):
J. C. Young.
C. N. Clausen,
Chairman, Palmerston North Coal-merchants' Association.

EXHIBIT O.

Statement as to West Coast Trading Company's Wharf.

(Put in by Mr. E. H. Crabb. See page 37.)

This wharf is situate about 8 ft. below the Railway Wharf at Foxton, and between that and Levin and Co.'s wharf. The wharf and the bins thereon were erected for the purpose of receiving and storing coal to serve the surrounding district. The land on which it stands belongs to the Railway Department, and the foreshore and bed of the river is vested in the Harbour Board.

The railway leased this piece of land to the company in 1907, charging £25 per annum. The foreshore to the river was leased by the Harbour Board, a condition in the lease being wharfages payable to the Board. When wharf was built the Department gave the company a siding, charging £120 for constructing same and £26 per annum rent. When the wharf began to be used the Department notified the company they would collect wharfages. It was pointed out to them the Harbour Board had already collected, but they refused to take goods unless the wharfage was paid to them. The wharfage was again paid under protest, and double wharfage continued to be so paid. The Minister of Railways and General Manager when interviewed refused to grant any redress. When the company stated its intention to refuse payment and asked to be sued for such payment the reply was the Department would not carry goods unless all charges including wharfage were paid. It refused to be a party to an action for a declaratory judgment in the Supreme Court, and stated any action would have to go through the usual channels and would be taken to the Privy Council if necessary. The company was not financially strong enough to fight the matter, so the wharf was rendered unpayable. Further, a bank formed in the river just off the wharf, and consequently boats refused to lie there except just at high water. The Department refused to take any steps to remedy the matter except a grant of £20 to assist the Harbour Board to try a spoon dredge. Consequently, the wharf was rendered useless for the purpose for which it was built.

I was at the time managing director of the above company, and so all correspondence, &c., passed through my hands. I also had several interviews with the General Manager and Mr. Millar, Minister of Railways, at the time over the matter.

EXHIBIT P.

Comparative Table of Freights and Railages.

(Put in by Mr. F. S. Goldingham. See page 35.)

(1.) *Goods from Wellington to Palmerston North.*

	Rail Wellington to Palmerston North.	Via Foxton.	Difference.
	s. d.	s. d.	s. d.
Class A	50 5	28 10	21 7
„ B	41 11	26 8	15 3
„ C	34 10	24 9	10 1
„ D	27 4	22 9	4 7

Sea freight, Wellington to Foxton: General cargo, 9s. per ton; kerosene, 11s. per ton, 24 cases.

Wharfage at Foxton: General cargo, 2s. plus 10 per cent.; grain, flour, 1s. 6d. plus 10 per cent.; wire, 6d. plus 10 per cent.; manure, 1s. plus 10 per cent.

Cost of certain articles per rail and via Foxton:—

	Wellington to Palmerston North per Rail.	Via Foxton.	Difference.
	s. d.	s. d.	s. d.
Kerosene (case)	1 10¼	1 2¾	0 8
Benzine (case)	2 10	1 10	1 0
Cigarettes (case)	17 6	9 7	7 11
Wire (ton)	27 4	21 1	6 3

(2.) *Goods from Ports other than Wellington to Palmerston North via Foxton.*

Sugar at present costs as follows: If brought to Wellington and then railed to Palmerston North, £3 3s. 7d.; if via Foxton, £2 8s. 1d.: difference, 15s. 6d. If port was open to boats trading Auckland to Foxton freight would not be over 20s. per ton, and sugar could be landed at Palmerston North for 37s. 7d. Approximately, the quantity for district is 2,500 tons, and the saving would therefore be, say, £1,300 on sugar alone.

Flour: The saving on flour as compared with getting same by the present cheapest port—namely, Wanganui—would be 5s. 7d. per ton. Taking the district as using 12,000 tons of flour annually, half of which is supplied locally, the saving on flour would be, say, £1,700 per annum.

EXHIBIT Q.

STATEMENT SHOWING TOTAL NET PROFIT DERIVED BY THE RAILWAY DEPARTMENT FROM THE FOXTON WHARF SINCE 1900.

Year.	Net Annual Profit after *deducting* Interest at 3½ per Cent. on £8,000.	Total Amount of Compound Interest accruing up to 1916 at 3½ per Cent.
	£ s. d.	£ s. d.
1901	289 11 9	195 9 9
1902	282 18 11	174 17 8
1905	595 14 6	273 10 3
1906	627 5 0	255 4 0
1907	756 5 5	273 2 1
1908	935 18 6	294 16 6
1909	806 13 8	218 17 4
1910	1,134 16 6	260 3 11
1911	1,135 4 11	210 10 9
1912	1,054 5 0	154 18 6
1913	1,612 11 1	175 0 2
1914	1,182 9 5	83 0 0
1916	1,342 18 3	..
	11,756 12 11	2,569 10 11
	Net Loss *adding* Interest at 3½ per Cent. on £8,000.	
	£ s. d.	£ s. d.
1903	503 4 0	283 8 6
1904	502 3 3	256 9 7
1915	366 3 10	12 16 4
	1,371 11 1	552 14 5

	£ s. d.	£ s. d.
Total annual profits	11,756 12 11	
Total annual losses	1,371 11 1	
		10,385 1 10
Total compound interest on accumulated profits to 31st March, 1916	2,569 10 11	
Total compound interest on losses	552 14 5	
		2,016 16 6
Total net profit		£12,401 18 4

EXHIBIT R.

LETTER, CHAIRMAN, FOXTON HARBOUR BOARD, TO MINISTER OF RAILWAYS.

DEAR SIR,— Foxton, 20th November, 1913.

Re Foxton Wharf: Following our conversation in Wellington yesterday, I now make the following offer for the purchase of the wharf for favourable consideration by your Cabinet, subject, of course, to the approval of my Board, and hope you will assist as much as possible to obtain the Cabinet's acceptance of same: Price to be £28,000 after wharf put in thorough repair. Interest, 3½ per cent., and ¾ per cent. sinking fund. Payment to be by debentures to Government extended over a term of years to liquidate the whole amount. Security over the Board's revenues from wharfages, rents from endowments, pilotage, &c.

Rents at present produce £236 per annum; pilotage and lighting, £410. The net surplus after paying all expenses as shown by balance-sheet enclosed was £205. The assets shown are exclusive of the value of the Board's endowments.

I have, &c.,

P. J. HENNESSY, Chairman.

The Hon. the Minister of Railways, Wellington.

EXHIBIT S.

RESOLUTION PASSED BY PALMERSTON NORTH CHAMBER OF COMMERCE.

THAT this Chamber reaffirms its former decision that in the public interest the Foxton Wharf should belong to the Foxton Harbour Board, inasmuch as the present position is a decided obstacle to the progress of this town and district, owing to the fact that the profits derived from it have not been expended in terms of the Act by the Railway Department to improve the Manawatu River as a port; that the executive of the Chamber be requested to prepare evidence in support of the above resolution and submit same to the Commission.

EXHIBIT T.

LETTER, A. K. DREW TO SECRETARY, FOXTON HARBOUR BOARD.

DEAR SIR,— Manawatu County Council, Sanson, 18th February, 1916.

At a meeting of delegates of local bodies and Chambers of Commerce held recently at Marton the following resolution was passed: "That this meeting expresses its desire to help the Foxton Harbour Board in every way in its endeavour to obtain possession of the Foxton Wharf, and is quite willing to supply what evidence possible."

Yours truly,

A. K. DREW, County Clerk.

The Secretary, Harbour Board, Foxton.

II. EXHIBITS RELATING TO SANDON TRAMWAY AND RAILWAY DEVIATION.

EXHIBIT 1.

SANDON TRAMWAY CAPITAL ACCOUNT.

	£	s.	d.	£	s.	d.
Total first cost, Himatangi to Rongotea				8,916	6	0
Extension, Rongotea to Sanson (advanced by Government: advance subsequently repaid from General County Funds)				2,000	0	0
Extension, Sanson to metal-pit at Rangitikei River				7,139	13	7
Liabilities on account of extension to Rangitikei River, and new rails purchased: Amount of loan				930	0	7
Bank overdraft on Tramway Account, 1st April, 1903, for improvements to line (paid from General County Funds)				3,360	3	10
50 tons steel rails and fastenings	399	11	10			
Freight, wharfage, and tolls	40	0	0			
	439	11	10			
Less 50 tons old rails at £3	150	0	0			
				289	11	10
Tramway-shed at Rongotea				30	0	0
Windmill, tanks and stand, Whale line				30	9	0
Rails in siding, Himatangi	36	1	0			
Less old rails	6	1	0			
				30	0	0
Two M wagons				180	0	0
Tarpaulins				20	0	0
Land at Rongotea, Rosina, Whale, and Himatangi				150	0	0
Account at 31st March, 1906				£23,076	4	10
Four M wagons	320	0	0			
Windmill, tanks, and fittings at Sanson	40	16	9			
50 tons steel rails	462	11	8			
Less 40 tons old rails at £3	120	0	0			
	342	11	8			
25 tons steel rails	241	0	9			
Less 15 tons at £3	45	0	0			
	196	0	9			
60 tons steel rails	508	15	4			
Less 40 tons at £4	160	0	0			
	348	15	4			
25 tons steel rails	230	9	11			
Less 15 tons at £4	60	0	0			
	170	9	11			
Locomotive, Manawatu	1,221	0	0			
Less cost of Foxton	400	0	0			
	821	0	0			
60 tons rails, &c.	619	12	5			
Less 50 tons at £4	200	0	0			
	419	12	5			
Points and crossings (two sets)	30	0	0			
Two "D" class carriages	185	0	0			
10 tons rails, &c.	122	13	11			
Less 7 tons at £4	28	0	0			
	94	13	11			
				2,969	0	9
Account at 31st March, 1914				£26,045	5	7
	£	s.	d.	£	s.	d.
35 tons rails, &c.	440	1	5			
Less 25 tons at £4	100	0	0			
	340	1	5			
Fire-extinguishers	8	0	0			
				348	1	5
Account at 31st March, 1916				£26,393	7	0

EXHIBIT 2.

RETURN OF RECEIPTS AND PAYMENTS OF SANDON TRAMWAY, 1895-1916.

(Put in by Mr. A. K. Drew. See page 79.)

Year.	Receipts. £	Payments. £	£	Year.	Receipts. £	Payments. £	£
1895	849	1,057	..	1906	2,459	2,342	..
1896	1,180	1,422	..	1907	2,339	2,688	[522]
1897	1,440	1,258	..	1908	2,948	2,868	[291]
1898	1,776	2,029	[300]	1909	3,020	3,603	[630]
1899	1,750	1,809	[36]	1910	3,334	3,257	..
1900	1,941	2,051	..	1911	4,210	4,652	[1,295]
1901	1,986	2,034	..	1912	4,157	5,953	[1,837]
1902	2,397	2,151	..	1913	4,822	4,475	[152]
1903	2,873	3,196	..	1914	4,308	4,715	[427]
1904	3,227	3,690	[474]	1915	4,192	4,307	[285]
1905	3,119	2,537	..	1916	5,622	5,400	[500]

The figures in brackets in the "Payments" column show the expenditure out of revenue which has been charged to the Capital Account.

EXHIBIT 3.

TABLE SHOWING RECEIPTS AND PAYMENTS OF SANDON TRAMWAY FOR 1916.

	£	s.	d
Receipts.			
Receipts (including £167 14s. 2d. refund cost of private siding) ..	5,630	4	1
Payments.			
Wharfage	257	13	5
Tolls and freights	432	0	6
Steamer charges	1,244	16	0
Working-expenses	2,840	7	9
Rails and fastenings	440	1	5
Sleepers	117	6	11
Fire-extinguishers	8	0	0
	£5,340	6	0

EXHIBIT 4.

STATEMENT SHOWING TOTAL WEEKLY RECEIPTS FROM SANDON TRAMWAY.

Weekly Period, 1915.	£	s.	d.	Weekly Period, 1915.	£	s.	d.	Weekly Period, 1916.	£	s.	d.
April 7 ..	..			Aug. 25 ..	130	11	4	Jan. 5 ..	36	12	11
,, 14 ..	23	0	5	Sept. 1 ..	203	13	2	,, 12 ..	110	3	3
,, 21 ..	74	8	7	,, 8 ..	16	10	8	,, 19 ..	118	4	0
,, 28 ..	95	4	7	,, 15 ..	88	8	6	,, 26 ..	62	2	9
May 5 ..	46	9	2	,, 22 ..	133	12	4	Feb. 2 ..	81	6	1
,, 12 ..	41	3	4	,, 29 ..	319	11	0	,, 9 ..	88	1	5
,, 19 ..	160	12	8	Oct. 6 ..	143	6	7	,, 16 ..	81	0	4
,, 26 ..	57	0	3	,, 13 ..	34	4	8	,, 23 ..	148	18	0
June 2 ..	83	19	8	,, 20 ..	89	2	3	Mar. 1 ..	41	18	9
,, 9 ..	37	11	10	,, 27 ..	110	15	4	,, 8 ..	118	6	4
,, 16 ..	121	19	5	Nov. 3 ..	430	6	6	,, 15 ..	16	7	7
,, 23 ..	67	14	10	,, 10 ..	137	9	9	,, 22 ..	142	19	7
,, 30 ..	100	9	4	,, 17 ..	34	15	10	,, 29 ..	267	1	3
July 7 ..	108	12	1	,, 24 ..	61	18	2	,, 31 ..	290	4	5
,, 14 ..	176	8	9	Dec. 1 ..	79	7	10				
,, 21 ..	93	18	0	,, 8 ..	206	7	9		£5,630	4	1
,, 28 ..	159	12	6	,, 15 ..	23	18	3				
Aug. 4 ..	49	19	7	,, 22 ..	52	8	11				
,, 11 ..	54	14	2	,, 29 ..	87	18	6				
,, 18 ..	89	10	11								

EXHIBIT 5.

TABLE SHOWING SANDON TRAM FREIGHTS COLLECTED BY RAILWAY DEPARTMENT FOR TRAFFIC GOING INTO THE RAILWAYS AND PAID TO MANAWATU COUNTY COUNCIL FOR YEAR ENDED 31ST MARCH, 1916.

		£	s.	d.
1915—	April	61	11	11
	May	135	11	3
	June	100	12	4
	July	66	17	4
	August	59	17	2
	September	26	13	10
	October	14	15	9
	November	6	14	6
	December	6	5	3
1916—	January	46	5	6
	February	53	4	3
	March	88	13	7
		£667	2	8

EXHIBIT 6.

SCHEDULE OF FREIGHT CHARGES ON SANDON TRAMWAY

(Put in by Mr. A. K. Drew. See page 79.)

Classified Rates.

	Foxton to		Miles	1.	2.	3.	4.	5.	Hima-tangi. 6	7.	Oroua Downs. 8.
Class		Per		s. d.	s. d.	s. d.	s. d.	s. d.	s. d.	s. d.	s. d.
A	Merchandise	Ton		4 6	4 6	4 6	4 6	5 0	5 6	6 0	6 6
B	,,	,,		4 0	4 0	4 0	4 0	4 6	5 0	5 6	6 0
C	,,	,,		4 0	4 0	4 0	4 0	4 4	4 9	5 2	5 7
D	,,	,,		4 0	4 0	4 0	4 0	4 2	4 6	4 10	5 2
E	Grain, &c.	,,		2 3	2 6	2 9	3 0	3 3	3 6	3 6	3 8
F	Hay, straw, &c.	Truck		7 0	7 0	7 0	7 0	7 6	8 0	8 6	9 0
H	Wool, &c., undumped	Bale		1 0	1 0	1 0	1 0	1 0	1 0	1 0	1 0
H	Wool, double-dumped	,,		1 9	1 9	1 9	1 9	1 9	1 9	1 9	1 9
K	Timber	100 sup. ft.		0 8	0 8	0 8	0 8	0 8	0 8	0 8	0 8
L	Firewood	Truck		7 0	7 0	7 0	7 0	7 6	8 0	8 6	9 0
M	Sheep, &c. (double-floor trucks)	,,		15 0	15 0	15 0	15 0	15 0	15 0	15 0	15 0
M	Cattle and sheep (single-floor trucks)	,,		15 0	15 0	15 0	15 0	15 0	15 0	15 0	15 0
N	Minerals	Ton		2 6	2 6	2 6	3 6	3 6	3 6	3 6	3 6
P	Native coal	,,		2 6	2 6	2 6	2 6	2 6	2 6	2 6	2 6

	Foxton to		Miles	9.	Tai-korea. 10.	11.	Whale. 12.	Rosina. 13.	14.	Rongo-tea. 15.	16.
Class		Per		s. d.	s. d.	s. d.	s. d.	s. d.	s. d.	s. d.	s. d.
A	Merchandise	Ton		7 0	7 6	8 0	8 6	9 0	9 6	10 0	10 8
B	,,	,,		6 6	7 0	7 6	8 0	8 6	9 0	9 6	10 0
C	,,	,,		6 0	6 5	6 10	7 3	7 8	8 1	8 6	8 11
D	,,	,,		5 6	5 10	6 2	6 6	6 10	7 2	7 6	7 10
E	Grain, &c.	,,		3 9	4 0	4 0	4 0	4 3	4 6	4 6	4 8
F	Hay, straw, &c.	Truck		9 6	10 0	10 0	10 0	10 0	10 6	11 0	11 6
H	Wool, &c., undumped	Bale		1 0	1 0	1 1	1 2	1 3	1 5	1 6	1 7
H	Wool, double-dumped	,,		1 9	1 9	1 11	2 1	2 2	2 6	2 8	2 9
K	Timber	100 sup. ft.		0 8	0 8	0 9	0 10	0 11	1 0	1 1	1 2
L	Firewood	Truck		9 6	10 0	10 2	11 0	11 10	12 8	13 6	14 4
M	Sheep, &c. (double-floor trucks)	,,		15 0	15 0	15 0	15 0	15 0	15 0	15 0	15 9
M	Cattle and sheep (single-floor trucks)	,,		15 0	15 0	15 0	15 0	15 0	15 0	15 0	15 0
N	Minerals	Ton		3 6	3 6	3 6	3 6	3 8	3 10	4 0	4 2
P	Native coal	,,		3 0	3 0	3 0	3 0	3 0	3 0	3 0	3 2

SCHEDULE OF FREIGHT CHARGES ON SANDON TRAMWAY—*continued.*

Classified Rates—continued.

	Foxton to	Mako-whai.	..	Perry's.	Sanson.	..	Oha-kea.	..	Puke-nui.
	Miles	17.	18.	19.	20.	21.	22.	23.	24.
Class	Per	s. d.	s. d.	s. d.	s. d.	s. d.	s. d.	s. d.	s. d.
A	Merchandise	Ton 11 4	12 0	12 8	13 4	14 0	14 8	15 4	16 0
B	,, ...	,, 10 6	11 0	11 6	12 0	12 6	13 0	13 6	14 6
C	,, ...	,, 9 4	9 9	10 2	10 7	11 0	11 6	11 10	12 3
D	,, ...	,, 8 2	8 6	8 10	9 2	9 6	9 10	10 2	10 6
E	Grain, &c.	,, 4 9	4 10	5 0	5 2	5 4	5 6	5 8	5 9
F	Hay, straw, &c.	Truck 12 0	12 6	13 0	13 6	14 0	14 6	15 0	15 6
H	Wool, &c., undumped ..	Bale 1 8	1 9	1 10	1 11	2 0	2 2	2 3	2 4
H	Wool, double-dumped ..	,, 2 11	3 1	3 3	3 4	3 6	3 10	3 11	4 1
K	Timber	100 sup. ft. 1 3	1 3	1 4	1 4	1 5	1 5	1 5	1 6
L	Firewood	Truck 15 2	16 0	16 10	17 8	17 10	18 0	18 3	18 6
M	Sheep, &c. (double-floor trucks)	,, 16 6	17 3	18 0	18 9	19 0	19 0	19 3	19 6
M	Cattle and sheep (single-floor trucks)	,, 15 0	15 0	15 0	15 0	15 6	16 0	16 6	17 0
N	Minerals	Ton 4 4	4 6	4 8	4 10	5 0	5 2	5 4	5 6
P	Native coal	,, 3 3	3 5	3 6	3 8	3 10	3 11	4 1	4 2

Grain—Class E: Minimum, 2 tons, less quantity as Class D. Manure—Class N: Minimum, 4 tons, less quantity as Class D. Chaff—Class F: Sheets 1s. per day or part of a day. Wire, iron, cement—Class D. General merchandise—Class A: Rate for small lots at slightly higher scale.

Class E (grain) to Carnarvon will be charged 1s. per ton less than classified rates; minimum, 5 tons per truck. Any less quantity in any one truck to be charged at classified rate—minimum, 2 tons.

EXHIBIT 7.

SCHEDULE OF FARES ON SANDON TRAMWAY.

(Put in by Mr. A. K. Drew.)

Number of Miles.	Fares. Single (Ordinary). First.	Return for Saturday and Sunday. First.	Number of Miles.	Fares. Single (Ordinary). First.	Return for Saturday and Sunday. First.
	s. d.	s. d.		s. d.	s. d.
1	0 3	0 6	13	1 10	2 5
2	0 4	0 6	14	2 0	2 8
3	0 6	0 9	15	2 1	2 9
4	0 8	0 10	16	2 3	3 0
5	0 9	1 0	17	2 5	3 3
6	0 10	1 2	18	2 6	3 4
7	1 0	1 4	19	2 8	3 7
8	1 1	1 5	20	2 10	3 9
9	1 3	1 8	21	2 11	3 11
10	1 5	1 11	22	3 1	4 1
11	1 7	2 1	23	3 3	4 4
12	1 8	2 3	24	3 4	4 5

EXHIBIT 8.

TABLE SHOWING CHIEF ITEMS OF TRAFFIC ON SANDON TRAMWAY, 1899–1915.

(Put in by Mr. A. K. Drew. See page 79.)

——	1899.	1904.	1909.	1914.	1915.
Grass-seed .. .. .. Tons	Nil	Nil	291	311	101
Grain .. .. .. ,,	911	834	620	608	589
Chaff .. .. .. Trucks	50	51	94	27	240
Minerals .. .. .. Tons	585	542	575	861	1,183
Manure .. .. .. ,,	135	186	292	579	557
General merchandise .. .. ,,	697	903	1,415	1,930	2,127
Wool .. .. .. Bales	2,105	1,595	2,481	2,647	1,992
Posts and firewood .. .. Trucks	109	[illegible]100	84	79	68
Timber .. .. .. Feet	187,000	141,000	691,000	256,000	352,000
Sheep .. .. .. Trucks	Nil	Nil	Nil	13	364

EXHIBIT 9.

TABLE SHOWING CHIEF ITEMS OF TRAFFIC ON SANDON TRAMWAY, 1916.

——	January.	February.	March.	April.	Total.
Grass-seed .. .. .. Tons	132½	127¼	5	..	264¾
Grain .. .. .. ,,	20	107	150¼	42½	319¾
Chaff .. .. .. Trucks	..	..	22	1	23
Minerals .. .. .. Tons	70	27¾	104	55	256¾
Manure .. .. .. ,,	15	9½	22	17	63½
General merchandise .. .. ,,	167¼	210¼	255	119¼	751¾
Wool .. .. .. Bales	816	137	85	..	1,038
Posts and firewood .. .. Trucks	1	5	8	6	20
Timber .. .. .. Feet	2,900	32,100	25,100	9,500	69,600
Sheep .. .. .. Trucks	76	63	143	22	304

EXHIBIT 10.

TABLE SHOWING AMOUNT OF COAL HAULED OVER SANDON TRAMWAY FOR DAIRY COMPANIES IN THE MANAWATU COUNTY.

(Put in by Mr. A. K. Drew. See page 80.)

Glen Oroua Dairy Company :—
Crates, salt, rennet, &c.—
1913, 307 tons; 1914, 204 tons; 1915, 325 tons: total, 836 tons.

Rongotea Dairy Company :—
Salt, sundries, &c.—
1913, 244 tons; 1914, 120 tons; 1915, 160 tons: total, 524 tons.

EXHIBIT 11.

TABLE SHOWING OUTPUT OF DAIRY COMPANIES IN MANAWATU COUNTY.

(Put in by Mr. A. K. Drew. See page 80.)

Glen Oroua Dairy Company—
Butter—1913–14, 402 tons; 1914–15, 346 tons.
Cheese—1915–16, sent away by tram 1,700 crates = 130 tons.

Rongotea Dairy Company—
Butter—1913–14, 220 tons; 1914–15, 260 tons; 1915–16, will be about 250 tons.

EXHIBIT 12.

TABLES SHOWING COMPARATIVE FREIGHTS ON FIREWOOD AND POSTS.

(Put in by Mr. A. K. Drew. See page 80.)

(1.) *On Firewood.*

	£	s.	d.
Rata to Himatangi	1	7	6
Himatangi to Sanson	0	12	8
	£2	0	2
Rata to Greatford	0	11	0
Greatford to Sanson	0	9	0
	£1	0	0
Rata to Sanson	£0	15	5

(2.) *On Posts.*

	£	s.	d.
Ohakune to Himatangi	2	8	5
Himatangi to Sanson	0	12	8
	£3	1	1
Ohakune to Greatford	1	16	7
Greatford to Sanson	0	9	0
	£2	5	7
Ohakune to Sanson	£1	18	9

EXHIBIT 13.

TELEGRAM SHOWING AMOUNT OF TRUCK-HIRE PAID BY SANDON TRAMWAY FOR USE OF ROLLING-STOCK OF GOVERNMENT RAILWAYS.

Drew, c/o Luckie, Solicitor, Wellington.
LAST year's truck-hire five seven eight pounds. January, February, March this year, one four three pounds.

Anderson.

EXHIBIT 14.

RETURN OF TRAFFIC CARRIED ON MAIN LINE BETWEEN LEVIN AND MARTON.

(Put in by Mr. R. W. McVilly. See page 134.)

Divisions.	Passenger Traffic.		Goods Traffic.				
	Number of Passengers.	Revenue.	Cattle.	Sheep.	Live-stock and Goods other than Minerals.	Minerals.	Revenue.
Thorndon to Levin (inclusive)—							
To and from		£ s. d.	No.	No.	Tons.	Tons.	£ s. d.
1. Marton Junction and stations north thereof (Main Trunk and branches)	92,657	130,084 2 8	2,770	275,472	59,586	4,689	77,772 2 1
2. Pukepapa – New Plymouth and intermediate stations and branches	53,753	41,775 4 5	4,670	145,216	22,585	6,912	34,112 8 2
3. Koputaroa-Greatford and intermediate stations	124,886	36,669 17 3	13,004	371,060	67,337	18,572	70,857 12 1
4. Terrace End – Napier – Wairarapa	53,453	36,046 0 8	4,438	196,518	28,156	5,660	39,007 4 7
Koputaroa–Greatford (inclusive)—							
5. Local traffic	243,529	11,886 2 6	1,107	41,073	32,262	8,933	13,735 1 1
To and from							
6. Terrace End – Napier – Wairarapa	121,133	20,810 14 6	3,679	148,701	15,025	685	11,689 16 10
7. Marton Junction and stations north thereof (Main Trunk and branches)	65,589	28,080 6 9	7,955	95,553	40,994	11,980	39,379 8 4
8. Pukepapa – New Plymouth and intermediate stations and branches	52,447	13,931 19 2	5,323	52,281	13,419	1,968	11,711 19 9
Terrace End – Napier – Wairarapa—							
9. Marton Junction and stations north thereof (Main Trunk and branches)	31,208	35,472 4 10	5,575	125,394	53,164	14,857	66,340 3 0
10. Pukepapa – New Plymouth and intermediate stations and branches	17,997	11,620 15 11	6,127	83,833	12,076	611	14,531 6 1

EXHIBIT 15.

STATEMENT OF TRAIN-MILEAGE, SHOWING PRESENT POSITION AND RESULT OF NEW LINE, MARTON TO LEVIN.

Present Mileage, Levin to Marton.		*Service diverted to New Route.*	
Passengers	143,671	Passengers	78,876
Mixed	90,951	Mixed	26,292
Goods	158,067	Goods	26,292
Total ..	392,689	Total ..	131,460

Mileage after New Line built.

Passengers	125,517
Mixed	90,951
Goods	125,000
	341,468
Add Marton–Levin	131,460
Gross total after new line opened	472,928
Deduct present gross mileage	392,689
Additional mileage	80,239

EXHIBIT 16.

REPORT OF MR. MCKERROW ON PROPOSED DEVIATION VIA FOXTON, 1896.

(Put in by Mr. McVilly.)

MR. MCKERROW estimated that the cost of the line, including the building of two bridges across the Manawatu and Rangitikei Rivers, at £200,000. His report, which was dated 14th April, 1896, was as follows:—

The Hon. the Minister of Lands.

In accordance with the request made you by the Hon. the Premier and the Hon. the Minister for Railways that I should report on the proposed line of railway, Levin to Greatford, via Foxton, I have the honour to state that in company with J. G. Wilson, M.H.R., I went over the ground, 13th to 16th March, and at Foxton met a deputation comprising the Mayor (Mr. Nye), Messrs. Thynne, Kerr, Hennessy, and about twenty others, and at Levin, Messrs. Davies, Gower, Kebbell, Stewart, and Stuckey, who represented the local advantages that would ensue to their districts were the proposed line of railway made.

The comparison of the existing and proposed lines in respect of distances, grades, and curves is as follows:—

	M.	ch.
Present Levin Station to Longburn Station, on Wellington–Manawatu Company's line	24	52
Longburn Station to Greatford Station (Government line)	29	30
Distance Levin to Greatford by existing line	54	2
Present Levin Station to Foxton by line via Moutoa Swamp, surveyed under direction of J. T. Stewart, District Engineer, in 1879 (nearly) ..	11	40
Foxton to Carnarvon Station	5	28
Carnarvon to Sanson (steam tramway)	14	12
Sanson via Bull's to Greatford Station (distance scaled from the 1 in. lithographic map)	8	0
Distance Levin to Greatford by proposed line	39	0
Proposed line shorter than existing line by	15	0

Then, as to the grades and curves on the existing lines from Levin to Longburn, there is no grade steeper than 1 in 100, and only one 15-chain curve (approaching the Manawatu River); no other less than 20 chains radius. From Longburn to Greatford, especially that part of the line between Feilding and Greatford, the grades and curves are severe: there are 118 chains of a grade of 1 in 50, and other grades between that and 1 in 100—in all, 5 miles steeper than 1 in 100. From Greatford to Longburn the grades are better, there being only 7 chains 1 in 50, and less than 4 miles steeper than 1 in 100. There are 5½ miles of curves ranging from 7 to 20 chains radius.

A straight and level run.

In the part of the proposed line Levin to Foxton there are only 67 chains of grade between 1 in 59 and 1 in 100, and only one curve of 20 chains radius. From Foxton to Greatford the line can be run nearly straight on easy grades.

From the foregoing it will be seen that for all the places north of Greatford the line via Foxton would bring them 15 miles nearer Wellington by rail than what they are now, and locally it would save the country between Bull's, Sanson, and Foxton a round by rail of about 30 miles on goods traffic.

As regards the character of the two lines as to grades and curves, that by Foxton would be the better. It would be a very easy line to construct, the country being practically level throughout. The bridges over the Manawatu and Rangitikei Rivers, and the permanent-way for about 3 miles over the Moutoa Swamp, near Foxton, would be the only expensive items on the line. The Moutoa Swamp can be avoided by a detour through the sandhills, but that would add to the length of the line by about 1½ miles, thereby reducing the saving on the through distance of 13½ miles.

The tram-line is along a public road almost straight from end to end; there are no cuttings or embankments of any extent, the country being very favourable. It would be practicable to keep to the tram-line for railway, although so far as adopting it to save expense on the construction of the railway on an independent line, it is hardly worth consideration, excepting the saving cost of land and severance, as it is laid with old 28 lb. rails, very much worn and in bad order.

Cost put at £200,000.

There would therefore be, after deducting the 5½ miles from Foxton to Carnarvon, 34 miles of railway to construct. Further, as Greatford Station in its present position is unsuitable for a junction, and moreover it is undesirable to have another junction so near Marton Junction, it would be better, therefore, to continue the existing line from Greatford to Marton Junction, 3 miles 16 chains, or in all about 37 or 38½ miles of railway to construct, which, in the absence of detailed survey and estimates, should not be estimated to cost less than £200,000.

Although it would be a decided advantage to shorten the distance by 13½ or 15 miles, and save half an hour to an hour on all traffic north of Greatford to and from Wellington, the present traffic would not warrant the outlay, for it would practically mean the division of the traffic over the two lines with the extra cost of maintenance, and of additional train services without corresponding increase of

traffic. When the through line to Auckland is completed and open for traffic it may be worth while to consider the question of constructing the direct line from Levin to Greatford, but not till then. The settlers between Bull's and Foxton, although labouring under the disadvantages already mentioned, are, as regards railway conveniences, much better off than some important districts in the colony. I would advise the Government to defer taking any steps towards the construction of this line for the present, and until there is a considerable increase of traffic.

JAMES MCKERROW.

EXHIBIT 17.

STATISTICAL TABLES SHOWING PROGRESS OF RANGITIKEI, HOROWHENUA, AND MANAWATU COUNTIES FROM 1896 TO 1911–12. (FIFTEEN YEARS.)

(Put in by Mr. B. R. Gardener, Town Clerk, Levin. See page 87.)

The comparisons are prepared from Year-books and other statistical returns.

Area in Square Miles (Approximate).

Rangitikei, 852; Horowhenua, 498; Manawatu, 267: total, 1,617.

Comparison of Population in the Years 1896 and 1912.

	1896.	1912.
Rangitikei	7,132	12,057
Manawatu	3,823	6,098
Horowhenua	3,792	7,672
	14,747	25,827

Capital Value of the Three Counties named.

	1896. £	1912–13. £
Rangitikei	1,658,307	5,308,965
Manawatu	788,078	2,613,315
Horowhenua	1,062,524	3,875,268
	£3,508,909	£11,797,548

Land under Cultivation.

	1896. Acres.	1911–12. Acres.
Rangitikei	235,067	424,940
Manawatu	121,000	114,557
Horowhenua	94,939	123,584
	451,006	663,081

Comparison of Live-stock, 1896 and 1911.

SHEEP.

	1896.	1911.
Rangitikei	500,846	938,531
Manawatu	216,034	158,786
Horowhenua	171,006	149,687
	887,886	1,247,004

CATTLE AND PIGS.

	1896.		1911.	
	Pigs.	Cattle.	Pigs.	Cattle.
Rangitikei	2,897	24,472	3,832	48,529
Manawatu	2,487	18,465	6,963	28,121
Horowhenua	2,370	14,131	5,405	24,761
	7,754	57,068	16,200	101,411

DAIRY CATTLE.

	1896.	1911.
Rangitikei	3,323	10,198
Manawatu	3,980	11,971
Horowhenua	3,347	8,608
	10,650	30,777

Summary of above Returns.

Increase of	population	11,080
,,	capital value	£8,288,639
,,	land under cultivation	(acres) 212,080
,,	live-stock—Sheep	359,120
,,	,, —Cattle	44,343
,,	,, —Pigs	8,446
,,	,, —Dairy cattle	21,127

NOTE.—These statistical returns are mostly made up till 1911–12, later dates not being available, and it is therefore only fair to add for the past three years at least 20 per cent. increases on to these figures.

National Points.

Cost of Running Trains.—It is ascertained that the average cost of running trains in the Dominion is about 6s. per mile. Taking this as a basis, the saving of this amount in the cutting of 30 miles to and fro from Marton to Levin would amount to a large sum of money per year. Let us suppose that five trains each way were diverted on to the proposed line from Marton to Levin in place of *via* Palmerston North, and we find that in one year alone, taking 300 running-days, a saving of 45,000 miles would be effected. This at 6s. per mile would mean a gain of £13,500 off the running cost of trains. This is independent of the value of the time saved to passengers, of which a great number travel from Auckland to the Bluff, and time means money to them. The proposed line is a level one, and the wear-and-tear on the rolling-stock would be small in comparison to what it would be on that portion of the line from Greatford to Feilding, which has many cuttings and severe grades.

Land for Closer Settlement.—From Levin to the Wirikino Bridge (Manawatu River) many thousands of acres of land will be affected by the proposed line; and at least 25,000 acres could be made available for closer settlement. Two persons are at the present time in occupation of between 15,000 and 20,000 acres, of which a large proportion is most suitable for dairy farms. A great deal of Native land is included in the above, and leased mostly to one family. It is recognized by all that if provision were made for closer settlement in connection with the above area the capital value of this land would increase to double within a short period, by the making of necessary improvements which are needed.

EXHIBIT 18.

RETURN SHOWING PROGRESS, MANAWATU COUNTY, 1896–1911.

(Prepared by the Government Statistician and put in by Sir J. G. Wilson, Chairman, Manawatu County Council. See page 54.)

	1896.	1911.	1915.
Population	2,709	4,461	4,945
Number of occupied holdings over 1 acre in extent	359 (Year 1898–9)	673	..
Capital value	£788,078	£1,886,509	£2,374,380 (Year 1914)
Cattle	15,985	28,121	..
Sheep	214,010	158,786	127,137
Area under crop (acres)	13,548	13,453	..

EXHIBIT 19.

TABLE SHOWING AREA AND VALUE OF ESTATES WHICH WOULD BE AFFECTED BY THE EXTENSION OF THE SANDON TRAMWAY.

(Prepared by Mr. Richardson, Clerk of the Rangitikei County Council, and Mr. A. K. Drew.)

Name.	Area.	Capital Value.	Unimproved Value.
	Acres.	£	£
Amon, A. W.	1,282	7,682	5,178
Dalrymple, J. (estate of)	7,625	48,797	35,265
McKelvie, L. R.	4,332	65,297	50,714
Fraser, Donald	2,505	38,350	23,100
Wilson, C. W.	7,163	44,940	29,818
	187	1,504	958
Wilson, C. W.	4,041	21,215	15,550
Howard, J. (estate of)	1,884	38,675	28,260
Levin, W. F. G. (estate of)	1,394	31,645	20,910
Totals	30,413	298,105	209,753

EXHIBIT 20.

STATEMENT SHOWING AREA AND HOLDINGS OF MANAWATU COUNTY.

(Prepared by Messrs Phillips and Penny. See page 64.)

Area, 267 square miles—170,880 acres.	Acres.
Large holdings suitable for subdivision as dealt with by Messrs. Phillips and Penny's statement	41,705
Two large holdings in county not included in statement unsuitable for subdivision	16,883
Three large holdings in county not included in statement unserved by tram but suitable for subdivision	5,068
Forty holdings of about 500 acres suitable for subdivision and served by tram	21,009
Sixteen holdings of about 500 acres suitable for subdivision but unserved by tram	9,155

EXHIBIT 21.

TABLE SHOWING ACREAGE OF ESTATES IN THE VICINITY OF FOXTON AND LEVIN.

——	Area.	Capital Value.	Unimproved Value.	Value of Improvements.
	A. R. P.	£	£	£
McDonald Estate	11,099 0 0	131,457	104,952	26,205
Grace Bros.	5,732 3 0	24,568	18,316	6,252
Hitchings, —; Newman, Dr.; Nicholson Family; Newman, Edward	4,378 1 5	39,447	32,426	5,922
Totals	21,210 0 5	195,472	155,694	38,379

The following exhibits were produced before the Commission, but have not been printed:—

I. *Relating to Foxton Wharf and Harbour.*

1. Plan of Manawatu River and Foxton. P.W.D. 22965.
2. Evidence taken before Railways Committee, 1910, on the petition of the Foxton Harbour Board for financial assistance for the purpose of improving the Manawatu River (printed in Journals, House of Representatives).
3. File of Railway Department relating to Saunders's contract for the construction of Foxton Railway buildings, wharf, &c.
4. Set of plans relating to Saunders's contract. P.W.D. 7672.
5. Plan showing outlined in green what the Railway Department included in the £28,700 offer.
6. Balance-sheet, Wellington Harbour Board, 1880.
7. Balance-sheet, Foxton Harbour Board, 1914.
8. Four diaries of Mr. A. J. Kellow, manager for Levin and Co., Foxton, containing entries of strandings of steamers in Foxton Harbour, 1912–15.
9. Plan showing soundings at Foxton Wharf. No. 20497.

II. *Relating to Sandon Tramway and Railway Deviation.*

1. Set of plans of survey made in 1878–79 of section Levin to Foxton. P.W.D. 8286 and 7211.
2. Plan of grades and curves, Paraparaumu to Marton.
3. Map showing nature of land affected by Sandon Tramway.
4. Balance-sheets of Manawatu County, 1911–15.

INDEX TO WITNESSES AND COUNSELS' ADDRESSES.

I. Relating to Foxton Wharf.

	Page.		Page.
Crabb, E. H.	37	Howarth, C. H.	18
Deck, J. M.	159	Jickell, S.	20
Edwards, R.	111	Kellow, A. J.	23, 39
Elliott, M. A.	34	Lawton, F.	27
Fitzgerald, G.	106	Luckie, M.	10
Fuller, W. E.	109	McVilly, R. W.	11, 126, 140
Goldingham, F. S.	35	Millar, Hon. (evidence given in 1910)	31
Harvey, E. J.	108	Myers, M.	162
Hennessy, P. J.	20, 30	Park, W.	41
Hiley, E. H.	152	Styles, G. H.	28
Hodder, T. R.	39	Weston, T. S.	16, 173
Holmes, R. W.	119	Young, J. C.	33

II. Relating to Sandon Tramway and Railway Deviation.

	Page.		Page.
Bush, J. A.	89	McKenzie, R. B. (evidence given in 1910)	88
Buxton, H.	123	McKenzie, W.	99
Dalrymple, K. W.	69	McVilly, R. W.	95, 134, 146, 151
Dannevirke Chamber of Commerce, Statement of	182	Myers, M.	62, 162
Drew, A. K.	78, 159	Nicholson, H.	85
Elliott, M. A.	100	Pearce, A. E.	101
Gardener, B. R.	87	Penny, W. S.	67
Goodbehere, E.	105	Phillips, W. J.	64
Hiley, E. H.	152	Public Bodies, Resolutions of	99, 183
Innes, Mr.	67	Purnell, F.	70
Johnston, J. M.	102	Richardson, —.	85
Kensington, W. C.	94	Ryder, W.	86
Koch, A. C.	118	Skerrett, C. P.	41, 161, 178
Luckie, M.	88	Wilson, F. C.	97
Maclean, F. W.	113	Wilson, Sir J. G.	50

Approximate Cost of Paper.—**Preparation, not given; printing (800 copies), £160.**

By Authority: Marcus F. Marks, Government Printer, Wellington.—1916.

Price 3s. 6d.]