

About five years ago the Railways Department prepared figures dealing with the estimated revenue and expenditure under the then conditions, and considered the question of establishing rail-ferries for inter-Island traffic.

Since that time conditions have altered considerably, particularly in regard to the use of rail-cars and fast freight services, and the General Manager therefore desires to examine the question further, and to that end he has appointed a committee to draw up a report. The question of possible revenue to be obtained from the construction of this line, and the cost of operation, is entirely one for the Railways Department, and when investigations into these matters are completed you will have, with this report and the report of the Department of Agriculture, all that is needed to decide whether or not this line should be constructed.

(Sgd.) J. Wood.

26th March, 1936.

[COPY.]

Department of Agriculture, Fields Division,
From Fields Superintendent, Christchurch,
9th March, 1936.

The Director, Fields Division, Department of Agriculture, Wellington.

SOUTH ISLAND MAIN TRUNK RAILWAY: PARNASSUS-WHARANUI SECTION.

Re your memorandum 84/9/78 of 5th instant :—

I have perused the report enclosed, and have to state that during its compilation in 1931 several of those associated with it referred various statements contained therein to me for inquiry and verification, and in my opinion the statements made can be considered reliable, but generally of a conservative nature.

I pointed out at the time that the development of Marlborough would be along the lines of an increased sheep and beef-cattle population on somewhat smaller holdings, with a decided increase in the number of ewes carried, combined with increased production of grain and small seeds. I never considered dairying very seriously in Marlborough except at places like Kaikoura and Rai Valley, as the general outlook of the Marlborough farmer is towards sheep and seeds. The completion of the line would not, in my opinion, lead to an increase in dairy-farming.

Sheep-farming and cattle-raising would benefit very greatly from the completion of the railway. At present there is great loss of stock on the long and difficult journey to Canterbury, and the general deterioration of the stock on the journey is most marked. I have seen fat sheep when they left Ward, and about three weeks later saw the same sheep at Waiatu, when they were only rather indifferent stores, and their general appearance was most unattractive.

There is room for a greatly increased number of beef cattle in Marlborough, but without railway communication little development will take place. Pigs do exceptionally well in the district, and pigs on lucerne areas should prove a very payable proposition if railway transport were available.

In connection with Appendix B, I wish to state that I was able to verify most of this information in 1931, with the assistance of several of the most reliable runholders in Marlborough. I may mention, however, that according to their statements Appendix B was altogether too conservative. In later investigations I formed somewhat the same opinion, except that I could not get reliable data in connection with the number of cattle travelling from Marlborough to Canterbury each year. From information placed before me it seemed that approximately 10,000 head went from North of the Clarence River, and there could not be 5,000 from South Marlborough, as there are only supposed to be about 10,000 head of cattle all counted in the Kaikoura County. I know, of course, that a number of cattle at present travel through the back country to Hanmer to escape the knocking-about they get on the main road. This apparent discrepancy in the number of cattle travelling to Canterbury annually is a mere detail, but I thought I would mention it.

Mr. Charles Murray, of Wharanui, had thoroughly investigated the position, and stated in 1931 that there was annually a surplus of 300,000 sheep, and these had to go to Canterbury. He estimated the loss from his own experience at 5s. per head, and gave me numerous instances where it had been considerably more.

Stock fatten readily in the Marlborough Province, and splendid lambs are produced, and also excellent beef. Owing to isolation farmers can only command very moderate prices for their stock, and this has led to stagnation and general indifference in many quarters.

Farmers are not using fertilizers or lime to any extent owing to the high price of these commodities, but with railway facilities all this would be altered and the production of the district vastly increased, as there is no question about the capability of the district to produce increased yields of seeds and grain and also to greatly increase the number of stock carried.

It has often been mentioned to me by Marlborough farmers that owing to isolation they have to sell the production of their farms in the cheapest market, but all their requirements have to be purchased in the dearest one. From inquiries made and things I have personally seen there is no doubt that this is substantially correct. Such a state of affairs has had a bad effect on even the most progressive farmers.

At the present time motor transport seems to be in a chaotic condition in the district. I am informed that there is actually no fixed scale of charges, much cutting, and most lines are insolvent and unreliable.

From facts placed before me I feel quite sure that the railway would at least pay all expenses and perhaps do a great deal more, but all the production of Marlborough for transport south would have to go by rail, and farmers should be asked to give an undertaking that their stock and farm-produce