

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 Wellington 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