

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?