

*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 Taicri 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