

*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