

13. I understand the tramway stands in your books at approximately £25,000—the total cost?—Yes.

14. The loans now running or paid off approximate £14,000?—Yes. The first loan of £2,229 has been paid off by means of a sinking fund.

15. I understand the loans running or paid off amount to £14,000?—Yes, about that sum.

16. I understand there is a proposed extension to facilitate the removal of gravel from the terminus in the river-bed, which is expected to cost some £7,000?—Yes, the whole extension and work in connection with it.

17. I understand the Manawatu County Council would not ask that this should be valued as a permanent railway, but rather as a tramway or light railway?—It is obviously not suitable at present for a Main Trunk line. They would have to renew the bridges and put in heavier rails. It would not be fair to the county to value it as a railway from the Main Trunk point of view.

18. You suggest that the tramway should be taken over at a cost to the Council of not less than the actual amount of loan-moneys expended?—I do not think the county would have any hesitation in the matter being decided by arbitration, provided there was a minimum arranged. That is to say, supposing it cost us £25,000 and the valuation was less, that this sum should be a minimum, seeing that we have spent that money on it.

19. That is to say, the value is not to be less than the actual cost?—I think that is a fair way to look at it.

20. It is not suggested that anything should be asked for goodwill?—No. The goodwill would consist in having the extension to Greatford.

21. But even in that event you would not ask for goodwill?—No, the goodwill to the settlers would be that they had the line extended.

22. Whether there be an existing goodwill nor not, it is not proposed to include that as an item of valuation?—No, I do not think for a moment that the Council would ask it.

23. Would you indicate to the Commission the general character of the position with respect to the supply of gravel—what conditions would you seek to impose?—In a portion of our district we have to depend upon the Government for the supply of gravel for roads. That is down in the Rangiotu district on the Foxton line, and we have found that they naturally do their own work first. The result is that we have to take the gravel when it suits the Department, and generally it is at a most unsuitable time for us. To gravel the roads in winter-time when they are wet seriously damages the roads, and all that we would seek to impose is that an area of gravel should be given to us at a reasonable time for the purpose of gravelling the roads.

24. *Mr. Williams.*] And if they fail to give you the gravel when you wanted it, what would be the suggestion?—They would be tearing up the scrap of paper like some other people.

25. *Mr. Skerrett.*] I understand that the main objection to the connection of this extended tramway with Marton or near Marton is that it would enter into competition with the Government railway-line, and might divert trade from Marton to Wellington, and from Palmerston to Wellington through the Port of Foxton. What have you to say about that?—I should first like to say that as far as my knowledge goes there is no objection on the part of the local bodies to the extension to Greatford.

26. In the local bodies, I presume, you include the Borough of Palmerston North?—Yes, or the Borough of Feilding. They have so expressed themselves. They have a suspicion that we have an ulterior object in view, but I have never known them to express an opinion that we should not be allowed to extend to Greatford. I have seen it publicly stated in the papers that they had no objection. Then the only objection, therefore, comes from the Government. We have sought for years to get the connection before starting the extension, but we have not succeeded in getting permission. The statement you read giving the late Mr. Millar's opinion is no doubt still the opinion of the Department. They have still kept the matter in abeyance, and are "making further inquiries," but they have not given us any answer yet as to the extension.

27. What is your opinion as to the likelihood of a diversion of trade from Marton or from Palmerston to Wellington through the Port of Foxton by the junctioning of this line at Marton?—Well, if the Government continue starving the Foxton Port as they are doing now, and refuse them the right of controlling the harbour and spending the money on the river which the wharf makes, it will seriously curtail the possibility of it.

28. But assuming that the wharf is placed under the control and management of the Harbour Board there?—The statement was made that they are not likely to make the river anything like that approaching what Wanganui is. No doubt the members of the Commission have read Mr. Ferguson's able report on the Wanganui Harbour Board, which shows they are spending large sums of money and getting good results. They are going to take steamers belonging to the Home lines in there with considerable success; but the Foxton harbour has not got those advantages, and I do not think it is ever likely to attempt that. It will take in the heavy goods if the harbour is improved and gets a regular service—goods such as wire, sugar, &c. At the present moment we are competing in regard to kerosene and benzine, because the Government rates are very high. The trade does not go to Wellington, and is not likely to go to Wellington from the Marton district, except wool and fat sheep.

29. But fat sheep would not go to Foxton?—No, certainly not.

30. They might go via Wanganui?—Yes, to the freezing company there. It all depends on the person or company who buys them.

31. The real fact is, is it not, that even though this line be connected with Marton, its uses to the settlers in the Manawatu and Rangitikei Counties will be to get up the farm supplies, such as manures, wire, agricultural implements, and merchandise generally, more cheaply than they otherwise would?—Agricultural implements would naturally come that way. The rates on manures are very low on the railway-line, and that is a question which is doubtful; but the question of lime is an important one, and that, of course, is carried free. We also carry that free on our line.