

from which there is every prospect of obtaining a new and payable railway traffic with no railway connection and with practically no roads, or, at most, very poor roads. Road and railway facilities are therefore more urgently needed in such districts, and should, in the opinion of the Department, be provided before any large sum is spent in providing additional lines in localities already well provided with good roads and railway connections. There are several lines of railway at present in course of construction on which work has had to be stopped or curtailed through lack of funds, and work on those lines should be accelerated and completed before new lines are undertaken, more especially in districts which are already well served and in which the Department cannot see any prospect of payable traffic from a new line.

9. Even if a line were to be constructed between Levin and Foxton and between Himatangi and Marton, the Department could not make use of the existing tramway for that purpose. The tramway runs on a portion of the public road, and it would not be satisfactory to run express trains on a public road. Furthermore, not only would new sleepers be required, and also rails of the Government standard of 70 lb., but practically a complete rebuilding would be necessary, as the present formation is entirely unfit to carry the standard New Zealand rolling-stock, or to run trains on at anything but the lowest speed. Either a new route would have to be adopted or, if the existing line were made use of, there would have to be a new formation, and practically an entire reconstruction of the whole line. This would require land to be taken on one side of the railway, and in some cases on both sides, for the purpose of taking the standard 1 chain width for railway purposes, and to provide for a public road of 1 chain width. Moreover, the track should, if possible, be so constructed as that there should be 33 ft. on either side of the centre of the line of rails. The taking of this land involves acquiring 1 chain width for the railway, and this would include part, and in some cases the whole, of the existing road-formation. It would be necessary, then, for the Government to make a new public road to replace the existing road. Compensation would have to be paid to owners of private land taken; the railway would have to be fenced off from the road, and new fences have to be erected by the Government on the new boundaries of the properties along the line and road; plantations which have been specially made on the various properties along the route would have to be destroyed, and compensation paid therefor. It is possible that a few buildings along the line of route might also have to be removed and compensation paid. The telegraph posts and line for a considerable distance on one side, and for some distance on both sides, of the present road would have to be taken down and re-erected, which would further add to the expense. Again, there are a number of properties along the line the gates of which open immediately upon the present tramway-line: numerous crossings would be required to give the owners of these properties access to the road, and these would be a source of the greatest possible danger. As a matter of fact, so great would be the danger that the Department could not possibly permit such crossings on a main line. The only alternative would be to so construct the railway-line that there would be a road parallel with the line on either side of it, with provision for occasional crossings by subways or overhead bridges. This would involve taking land on both sides of the present line, with a corresponding increase in the cost of construction, compensation payable, and cost of fencing, &c.

II. *As to the Extension of Sandon Tram.*

1. It is contrary to the public interest in this Dominion, where the railways are State-owned, that any railways, or light railways junctioning with the State railways, should be permitted to be constructed by any person or corporation other than the State itself.

2. The State lines have been constructed with a view to serving the interests of the Dominion as a whole, and they are extended from time to time, and new railways are made from time to time, with the same object and in the same interest.

3. The present tramway could never have been operated at all by the County Council but for the assistance given by the Railway Department in the direction of permitting the use of certain of its rolling-stock. If the line were permitted to junction with the State line the County Council could not rely upon obtaining rolling-stock which would be required if the traffic on the tramway materially increased.

4. The connection desired is not necessary, having regard to the means existing in the district of good road-access to the State railway and to improved methods of road traction, and the expense of the extension and the cost of the new bridge that would be required over the Rangitikei River would not be justified.

5. If the tramway were extended and were made payable, it could only be made so payable to the detriment and at the expense of the State railway, and with the assistance of the Railway Department in providing the rolling-stock required by the tramway, or giving the County Council, if it acquired its own rolling-stock, running-rights over the State lines.

6. If the tramway were extended, traffic which now passes over the State lines would be diverted. The traffic between Wellington and Palmerston and other stations would be affected. Also traffic which now goes to Wanganui, and thence down the line and also up the Main Trunk line would be diverted through Foxton and the Sandon Tramway. If this resulted in an appreciable loss of revenue, and more especially if the Foxton wharfwages be also lost to the Department, such loss would have to be recouped by increasing freights and fares on other sections of the main line or other lines, and [or] by special rates of freight to compete with the Sandon Tramway and the sea freights to and from Foxton.

7. While, if the tramway has to be extended to junction with the main line, the acquisition of the tramway and the extension of the line by the Department would be preferable to allowing the extension to be made by the County Council, such acquisition and extension are not considered either desirable