

Mr. Conyers.
15th Aug., 1877.

Mr. Bunny: That is the grievance of Canterbury.

390. *The Chairman.*] I see there is to be an increase in the number of railway wagons?—Yes; I mentioned yesterday to the Engineer-in-Chief that more wagons should be placed on the line. On the broad gauge-wagons I place very little faith at present.

391. Is the number of railway wagons, 300, to be added to those now running, instead of the 287 broad gauge?—Yes.

392. I think you have suggested that the ironwork be prepared at once in New Zealand, to use up the surplus wheels?—Up to the present, we have used none of the spare wheels that have come out from England. With this extra material we could probably build fifty wagons. These would be in addition to those already ordered from Home.

393. Are you aware whether the new Harbour Board have urged upon the Government the impropriety of obstructing ships' gangways through allowing trucks to remain on the wharves at night?—Yes.

394. Do you think the Harbour Board should have authority to interfere with the whole railway system?—I do not know. I should pay no attention to interference with work connected with the railway.

395. Suppose the Board gets a Bill passed empowering them to do so?—I do not think it would be right. The management of the wharves should be in the hands of the Railway Department. There is, I think, no objection to the Harbour Board looking after the condition of the wharves, keeping them clean, and looking after masters of vessels; but all matters relating to railway working, the moving of the trucks, and so on, should rest with the railway authorities.

396. *The Chairman.*] Are you aware that the Harbour Board claim rental on all the railway stores and stations?—I have heard so, but not officially.

397. Do you think the Government ought to keep the sole control and management of all trucks and stores on those wharves?—Yes.

398. Suppose the Harbour Board were really a body in existence now, do you think it could prevent the loading of the railway trucks at any time?—Yes; that is to say, if the Harbour Board could not stop the loading of the railway trucks, it could prevent the ship from giving or receiving such loading, because masters of vessels are under the control of the Harbour Master.

399. *Mr. Reader Wood.*] Can you inform me what the traffic returns are in the Provincial District of Otago per year or month, or say on the whole system?—The traffic returns vary. On the Christchurch Section they are about £26,000 per month; on the Dunedin and Invercargill Sections about £11,600 per month.

400. What is the amount of the expenditure? Can you divide it, so as to show the ordinary working expenditure on the lines, and at the same time the cost of maintenance?—Yes; on the Dunedin Section the maintenance for last year was £16,412; locomotive power, £16,901; traffic charges, £22,676; general charges, £1,670—making a total of £57,659; the profit on the working being £31,480.

401. Do you think the sum £31,480 is to be fairly called a profit?—It is available for the payment of interest.

402. What do these lines cost?—I do not know.

403. How many miles in Dunedin?—About 83 miles.

404. What I want to get at now is the cost of all those lines, and what the working expenses are, so that we may fairly strike a balance, and see if, as a business transaction, the railways of New Zealand are carried on at a profit or loss?—I cannot furnish you with the information you desire. I wish to make one statement, to the effect that it is hardly fair to test the question of profit and loss in that way until the whole of the lines are finished. Large sums have been paid for works in progress on lines that are still unfinished.

405. I refer to the completed portions?—The traffic will increase enormously as the lines are finished, and it increases as the construction of the lines progress.

Mr. Reader Wood: That I admit.

406. *The Chairman.*] The actual expenditure on the railway hardly comes within the scope of our inquiry?—What I always look at is the proportion the working expenses bear to the receipts. If I can get within 60 per cent. I am satisfied. I secure for the railway all the traffic I possibly can legitimately. After that is done, if the line can be worked for 60 or 65 per cent. of the receipts, the result I consider is satisfactory.

Mr. Macandrew: Mr. Conyers, I suppose, thinks that if he expends 60 per cent., the remaining 40 will suffice for interest.

407. *Mr. Reader Wood.*] Are there any one of the lines that you know paying interest on the working expenses and maintenance?—I cannot answer that question. I do not know what the lines cost.

The Chairman: Mr. Carruthers is the officer to answer that question.

Mr. Conyers: The Port Chalmers Railway paid about 15 per cent. when separate accounts were kept.

408. *Mr. Reader Wood.*] That was about 10 per cent. over the interest. Do you know any other line that has done so well?—I do not. My object is to obtain as much traffic as I possibly can—in fact, to get all the traffic, if possible, and to work the railway as cheaply as it can be done.

409. *Mr. Reader Wood.*] What do you do to get all the traffic?—Induce the Government in certain cases to lower the rates.

410. *Mr. Bunny.*] Could you suggest any alteration? If the management of railways were entirely in your own hands, could you cause the traffic to be materially increased? You try all you can to get traffic, but you are trammelled by the tariff?—On one line I could mention, where the loss has been heavy—the Port Chalmers line—an improvement could be effected. Although the Government have lowered the rate, it is not low enough yet. The old rate on the Port Chalmers line was 6s. per ton, including delivery. Our reason for that special rate was that lighters competed with us. They could lighter the goods and also deliver for about 6s. a ton. It would have been better had we reduced the rate to 5s. 8d. Under the new tariff the rate was considerably increased. It was increased to about 7s. 8d.

411. *Hon. J. D. Ormond.*] To 7s. 8d., the uniform rate?—There is another case similar to the one