

Mr. Back.
23rd Aug., 1877.

other firms, in London and the colony. I went through every branch of a mercantile office, and I have had entire charge of more than one branch.

706. You understand book-keeping thoroughly then?—Yes.

707. Mr. Bunny.] By whom are Travelling Inspectors appointed?—By the Government.

708. How many of them are there?—I do not know of my own knowledge.

709. Are they men of experience?—I am only acquainted with one of them.

710. Is he a man of experience?—I believe he has had bank experience.

Mr. Billing.

Mr. BILLING examined.

711. The Chairman.] I believe you are connected with the Messrs. Brogden?—Yes.

712. What are you—their general agent here?—I am their managing clerk.

713. Are you in a position to say whether that firm, when they worked the Auckland and Onehunga Railway, derived any profit from it? They paid £300 a month rent to the Government, did they not?—I am not aware that they paid any rent. They arranged to work the line, as the Government could not take it over just then; but there was no payment made for it. There was a subsequent offer made to lease it, which was not entertained.

714. What was the profit? The result of the four months' working was a profit of about £1,215. We were to have worked it until the end of March—that was from 1st January, three months; but at the request of the Government we kept it until the 30th April, and they took it over on 1st May. That was the profit we made, and in January, next year, the Engineer-in-Chief having reported that the line was losing £130 per month, we offered then to rent it from the Government for £150 per month net, and as soon as the line was opened to Mercer for £300 a month, the arrangement to be in existence three years; but the offer was never entertained.

715. When the Brogdens worked the line for four months, and made the profit you speak of, did they include in the expenses the cost of the maintenance of the permanent way?—At the time the line was finished the firm were bound to keep it in repair for three months, and the cost of maintenance was charged against the contract. The maintenance cost about £130 for the extra month, and this I have taken into account.

716. You have deducted it from the profit actually made?—Yes.

717. Do you know whether it is usual both in England and America for railway lines to be leased?—In England I know it is a general practice for small companies to lease their lines to larger ones.

718. Are you aware whether in those cases sufficient provision is made for the maintenance of the rolling-stock and permanent-way by the lessees?—Yes; it is usual for the large company proposing to take over a small line to take the average earnings of the previous three or four years, and guarantee the payment of a certain yearly sum. A valuation is made of the rolling-stock and the permanent-way, and the lessee undertakes to return full value when the line is given up again.

719. Do you believe it would be possible for the Government here, if they wished to lease a line, to make sufficient provision for the maintenance of the rolling-stock and the permanent-way?—Most decidedly I do.

720. Mr. Stevens.] I understood you to say that when the line was handed over to the Government they made a loss in working it of £150 per month?—Yes.

721. And you made a profit in four months of some £1,200?—Yes.

722. Can you attribute to any particular cause the difference between the results of your management and that of the Government?—Well, in my opinion—and I may say it is the opinion of many people who are qualified to pass an opinion on the matter—the Government do not show sufficient energy in attending to the requirements of the people of the district. We started the traffic upon the line by studying the interests of the community and the convenience of the travelling public in every possible way. We sometimes ran trains that did not pay in order to encourage traffic, knowing that it would pay us in the end, and we gave particular attention to the steamer traffic, running special trains to Onehunga to take passengers to or bring them from the steamers. We thus got nearly double the traffic that there is now.

723. With respect to your fares, did you charge higher than is charged under the present arrangements?—Yes.

724. What about goods?—The quantity of goods carried was not very large—it was only some 2,200 tons for the four months. There was not time for a traffic to be created by us. We carried 62,000 passengers.

725. Mr. Larnach.] The principle of your firm was to run trains and study the convenience of the public, and if you could not carry them at one price you would at another price?—Yes; just on the same principle that guides those engaged in large commercial transactions. For instance, a shipowner would rather take your freight at a price that does not pay than run his vessel empty, in ballast.

726. I am not quite clear as to the reason you gave for there being such a large difference between the results of the two systems of working?—I will say this: It is just possible that at the opening of the line the novelty of railway travelling might have induced a certain amount of traffic, but I do not consider that would make any appreciable difference in the results of our four months' working. I can only attribute the falling-off to the fact that the requirements of the public were more consulted under the old system than they are now, and that consequently many people travel by the coach.

727. In your opinion new lines are bound to create a traffic?—Not exactly so. The novelty soon wears off. For a short time there is a rush of excursionists who have never ridden on or perhaps seen a railway before, but it does not last long.

728. But I mean to say a railway commencing to run in a new district has to create a traffic by encouraging persons to build residences along the line?—Certainly it has to create a traffic. That is the great secret of the success attending many of the large lines at Home. They study the con-