

Mr. Arthur.
11th Sept., 1877.

1627. And what you have repeated is what you think on the subject?—It is.
1628. Would that secure all the traffic?—I believe it would.
1629. How would that please Dunedin and Invercargill?—Dunedin would be still much lower. The merchants in Invercargill wish to be absolutely placed on the same footing as Dunedin merchants.
1630. About this case of O'Toole, did he leave the service absolutely at the time you requested him to resign?—He did.
1631. He was absolutely away from the service?—He was, for about a week.
1632. Then he was reinstated on Mr. Conyers's approval?—He was.
1633. Do you say the increase to the office he holds will be this year?—The present salary is £150. The increase recommended has not yet been passed, but is applicable to present financial year.
1634. And that I understand you recommended irrespective altogether of the officer?—Quite; it was in view of the increase of work that would accrue.
1635. Had officers in your department got any regular steady system of promotion. Do they move up gradually?—They do.
1636. That is adhered to?—In as far as practicable.
1637. Mr. Larnach.] I think I understood you to answer the question of the Minister for Public Works that the principal timber trade of Invercargill was about sixty miles from port?—Not the principal trade; there are five mills between Invercargill and Winton, and five between the Bluff and Invercargill.
1638. You know Seaward Bush?—I do. It is nearly thirty miles long by eleven broad.
1639. Do you know that there are several tramways running through that bush, some of them with iron rails?—I am not aware of there being iron-rail tramways.
1640. Why, in your opinion, for a longer mileage should the timber be carried at a reduced rate *pro rata*?—To enable other mills to engage in the shipping traffic. Mills near the port have their timber carried at from 6d. to 8d. per 100 feet.
1641. What do you call near the port?—Within fifteen or sixteen miles. Over twelve miles it is carried at $\frac{1}{2}$ d. per 100 feet per mile. Sixpence is the minimum rate—that is, a saw-mill twelve miles from port can have it carried for 6d.; over twelve miles it is a $\frac{1}{2}$ d. per 100 feet per mile.
1642. You recommend a reduction of a $\frac{1}{2}$ d. over thirty miles?—Yes.
1643. That is, from twelve to thirty miles, there would be another 8d. between the twelve and thirty—or 9d. rather. That would be 15d. a hundred for thirty miles?—Yes.
1644. Over thirty miles, you suggest it should be carried at a $\frac{1}{2}$ d. per 100 feet?—I do.
1645. Up to what distance?—Any distance over thirty miles.
1646. Your recommendation is that the rate should continue at a $\frac{1}{2}$ d. per 100 feet per mile over twelve and up to thirty miles, and over thirty miles a $\frac{1}{2}$ d. per 100 feet?—It is.
1647. Your only reason for that suggestion is to induce traffic?—To induce traffic, and foster the trade of the port.
1648. Would it not induce traffic if the reduction were made between twelve and thirty miles?—I could not recommend a further reduction. I do not think it pays more than the wear and tear at the present time.
1649. Would it or would it not?—I do not think it would. I think the freight on timber within twelve miles is sufficiently low.
1650. Are you aware whether some mills in the Seaward Bush locality have been compelled to stop because the price, coupled with the freight, would not pay millers?—I am not aware of it.
1651. Are you not aware that one miller has already called a meeting of his creditors or made some arrangement with his creditors?—I am aware that one has, but cannot attribute his failure to the rate of railway freight on timber. It is more in connection with the timber market in general than the rate of freight between the mill and the port. Shall I read my report to the Superintending Engineer, Constructed Railways, *re* the general working of the new tariff?
The Chairman.] You may append it. [See Appendix D.]

Mr. Ormond.
13th Sept., 1867.

THURSDAY, 13TH SEPTEMBER, 1877.

Hon. Mr. ORMOND, Minister for Public Works, examined.

1652. The Chairman.] The first question I should like to ask you, Mr. Ormond, is this: Do you think that if a person with a general knowledge of railways, and of a good business capacity, were made Commissioner of Railways, it would be a more satisfactory mode of conducting the railways than the present system you have of having a Constructing Engineer?—Do I understand that the question has reference to the traffic part of the business?
1653. I mean the traffic and general management of the lines. You will require to have a man for the permanent way all over the country; but I speak now of something like the same system as obtains in Queensland, New South Wales, and Victoria, where they have a Commissioner who lives at the centre, and through whom all communications to the Minister go from all the Managers?—I would answer that question in this way: That this general question of the best mode of management of the railways has been one that has given me, as Minister, very great and serious consideration; that the system which I found in operation when I came into office was that the Engineer-in-Chief was the head of the whole department; that his position was nominal as regards the traffic business—that is to say, he was merely the medium of communication as far as regards the traffic, but that he was the head as regarded all the construction business and the management of the permanent way and plant; that under him there were two Superintending Engineers, who managed and really had the charge of the traffic—Mr. Conyers over certain railways, and Mr. Passmore over what were known as the Northern railways, which included the small railways in the Middle Island. Mr. Conyers, in my opinion, now is the real Manager of all the traffic business over the Canterbury and Otago railways. There are some alterations since I have been in office as to the questions which are dealt with