

185. *Mr. Macandrew.*] Are you aware of the cost of the carriages supplied by Findlay Brothers?—*Mr. Carruthers.* They were supplied to the Provincial Government. No. I think it was £500 or £600, but I am not sure. 20th Aug., 1877.

186. Do you think they cost more than the imported?—I am not aware.

187. I think you said there were several locomotives built in the colony?—Yes.

188. Where are they at work?—In the Otago District. They have been worked by the Provincial Government. I think one is at Maerewhenua and another is at Kaitangata.

189. And have they given as much satisfaction as those which have been imported?—I think not. They are “fire-eaters” rather.

190. You do not know for a fact that kamai sleepers have been in existence on the Bluff line since its commencement, and are fresh now?—I know they have been used for some time. It is a very durable timber.

191. *Mr. Reader Wood.*] The employes on the lines are all paid fixed salaries?—Yes.

192. They have no interest in the success of the line. Whether there is a loss or a profit they receive their salaries just the same?—Yes.

193. Do you not think it would be an advantageous arrangement if they were paid in some measure in accordance with the earnings of the line; at any rate, the chief officers—the men who are absolutely in charge of it?—No. It would be an excellent thing for them—for no one else. Most people would neglect the line in order to bring out a greater margin of profit. It might be all very well if you could get a person thoroughly conscientious.

194. Under the present system is a man not liable to perform his duties in a perfunctory manner, simply carrying out his instructions and drawing his salary?—I do not think there would be any advantage in a change. I do not think the Manager has much power to increase traffic, but he might have power to decrease expenses. I think the Managers do their duty.

195. Well, put the thing on an entirely different footing to what it is at present. Suppose the Government appointed a Manager and had nothing to do with the employes. Let him appoint his own employes and leave everything to him, his duty being to carry the thing on in such a way that it should be made to pay. Under the present system that seems to be a matter of no consequence so long as the deficit can be made good out of the taxation of the country. Surely if a Manager were placed in full charge of a line he could study the interests of it, and regulate it much better than it could be regulated by Orders in Council and fixed and rigid rules. He would very soon endeavour to increase the traffic; and as for the line itself, he might be bound to give security for keeping it in repair. If the Government engineers looked after the matter they could soon see if he was discharging his duty in that respect?—A railway is a large property, and it is a question whether it would be wise to hand over to Managers a property valued at eight and a half millions.

196. The question is not the magnitude of the property, but whether the railways constructed at this expense can be made to pay?—I do not think it would increase the profits at all. I do not think it would be safe to trust a valuable property like a railway into a man's hands for him to make it pay when there could be scarcely any check over him as to the manner in which the line should be used.

197. Could not proper steps be taken to protect the property?—I think, as a matter of practice, it could not be protected.

198. Is it not a fact that, though it is to the interest of a contractor for building a railway line to “scamp” his work, yet the Government is able to prevent him from improperly constructing it?—The cases are very different; but I will remark this—that we have never lent a contractor an engine and had the engine returned in as good a condition as when we lent it, or as it would have been in had we not lent it.

199. Is not that owing to your imperfect machinery for inspection?—No; I think it is a physical impossibility to get men to keep rolling-stock in the order in which you hand it over to them; and if you handed over a line to a Manager, whose object would be to get all he could out of it, you would find your line soon getting into bad order.

200. Is it not a fact that when the Brogdens managed the line from Onehunga to Auckland they made it pay tolerably well?—Yes, they did, but—

201. Is it not a fact that it has never paid since the Government took it over—that, in fact, there was a complete collapse as soon as the Government took it over?—It has paid very well. When the Brogdens were running the railway they had no interest to pay, so that the line might well pay.

202. It has never paid a shilling since?—I beg your pardon.

203. Does it not barely pay expenses?—There is a considerable profit.

204. In this report of the Commission *re* Auckland Railway (E. 2A.) is the following: “The railways in Auckland do not pay. From the Treasury Accounts, furnished to the late Provincial Government and to the Commissioners, we find that for the year ended 30th June, 1876,—

“ The gross receipts were	£22,592 15 5
“ Expenditure	£21,189 7 3
“ Interest	22,177 3 1
	43,366 10 4
	20,773 14 11 ”?—

I could show differently by the Public Works Statement. Brogdens might make it pay, because they charged even Manager's salary to capital account. I do not think they managed the line at all well.

205. You do not think it is better that the Manager of a railway should have a personal interest in its success?—It might be better for the Manager, but not for the Government.

206. Since the General Government have had the management of the provincial lines, have they paid better than before or worse. Take the Port Chalmers line for example?—I do not think sufficient time has elapsed to allow of an answer being given to that question.

207. Is it not a fact that under the Provincial Government that line, after paying expenses, gave