

227. And you think, I understood you to say, that the fares are now low enough to take all the traffic available?—Yes.

228. And the reduction then made had the result of getting a few more fares, and of greatly reducing the total sum received?—Quite so. My own opinion is that if we had not reduced the fares at all on Boxing Day to Port Chalmers we should have got the same number of people.

229. *Mr. Whyte.*] You have said that you lowered the rate between Dunedin and Invercargill because of competition by sea: if you had not this competition do you think you would have still kept the rates as high as ever?—Yes, I think so.

230. And, also, that if you had not considered this competition by sea you would have lost your trade?—Yes.

231. You said that some time ago the Provincial Governments were running trains in Canterbury at rates lower than the Otago rates?—Yes.

232. Did you ever hear whether the Canterbury railways paid better than the Otago railways?—I do not know anything about that.

233. Would not the trade between Dunedin and Invercargill have been affected by the latter town going in for direct shipments, and therefore interfering with your through-traffic, so that you could never have held your own?—We should have held our own, I am sure, irrespective of direct shipments.

234. Then you are distinctly of opinion that, if you had not considered such competition by sea as that between Dunedin and Invercargill, you would to a great extent have lost traffic?—Yes, I think so.

235. *Hon. Major Atkinson.*] You said that you would be unable to perform the services now performing if Mr. Vaile's system was adopted. Do you think that the traffic would be largely increased?—I do not think it would be; but supposing the traffic did increase by Mr. Vaile's scheme, there would be this disadvantage: it would lead to an increase in the number of trains on holidays, when people were free and could travel; so that our present appliances would be insufficient. We should require to provide extra rolling-stock, which for the rest of the year would be idle.

236. That is what you do now on holidays?—Yes; our carriage-accommodation is insufficient, and we charge nothing so low as Mr. Vaile proposes.

237. And you think that, if the fares were so low, you would get a larger number?—Yes, no doubt.

238. Is not that contrary to your experience of the low fares to Port Chalmers on Boxing Day?—Of course I do not say that lower rates would not increase the number of passengers at all, but I believe on that occasion it did not.

239. That is to say, there is a limit to lowering?—Yes.

240. What increase would you expect on the longer-distance traffic under the proposed system?—It is possible there might be two to one.

241. And how much on the shorter?—From one to five miles I should say it would be about the same as at present; from one to ten miles I do not think it would make much difference.

242. Outside that, you expect two to one?—Of course it is only a surmise, but that is my opinion. It is possible we might get two to one, but I do not think we should get more.

243. Are your carriages quite full now?—No, not quite full.

244. How many more passengers could you carry?—I could scarcely say, because some days our trains are full and next day the same trains are empty. On short-distance traffic a larger number of passengers would require a double service.

245. So that your carriages are full now for all practical purposes?—Yes; we are obliged to provide the accommodation we have for the passengers we carry. The traffic fluctuates very much.

246. Still, you make up your trains for the ordinary number of passengers, and if the passengers were increased very much you would require a further service?—Yes.

247. *Mr. Maxwell.*] Is not that a great difficulty with managers everywhere?—Yes; it is my experience.

248. *Hon. Major Atkinson.*] If the traffic was increased, so that you wanted more carriages, would it be more expensive?—Yes; every carriage put on means more expense.

249. But not equal to the fares you put into the carriage if it is full, I suppose?—If we carry double the number of passengers we shall require a very much increased service.

250. Would it be twice as dear?—I could not say.

251. *Mr. Maxwell.*] Knowing the great difficulties there are in arranging train-services, and the question of the power you require, and the grades you are working with, do you think any one would give a decisive opinion as to the cost without investigating details minutely?—No; but the cost would be very considerably increased.

252. *Hon. Mr. Richardson.*] Do you think that the engines which take the trains now could do so if the traffic was much increased, and the carriages were full?—No, I do not think so. We have often to put on a second engine to take one extra carriage to Palmerston.

253. *Mr. Whyte.*] If there was a largely-increased traffic on our single lines, do you think the speed of running-trains could be hastened, or would it be lengthened?—The speed could not be shortened on our present lines.

254. Would not a multiplication of the traffic have a tendency to decrease the rate on account of our having to travel on single lines?—Yes, I think it would. It would take longer to unload passengers and their luggage, and checking tickets; there would also be delay from the crossing of trains.

255. *Mr. O'Connor.*] You say that the number of fares up to five miles would not be very much increased?—No.