

548. *Hon. Major Atkinson.*] You have said, Mr. Hannay, that if the number of passengers were doubled, the extra cost, roughly speaking, would be about $12\frac{1}{2}$ per cent., besides interest on rolling-stock, &c. Supposing the number of passengers were multiplied by four, would the cost then be increased proportionately?—I think the proportion would not diminish to any considerable extent, because, as far as my knowledge of the colony goes, I think, if it were possible to multiply the number of passengers by four, it would to a great extent be suburban business. I cannot imagine the country business being multiplied by four.

549. But, supposing it could be?—Probably it would not cost four times as much; but I do not think the reduction would be much.

550. Then, roughly speaking, we ought to add on, say, $37\frac{1}{2}$ per cent.?—Yes.

551. And could a single line accommodate that number of passengers?—That is a matter which would require consideration. In some cases it could.

552. Speaking generally, do you think the single lines could carry that amount of traffic?—Yes, except in the neighbourhood of large towns.

553. *Hon. Mr. Richardson.*] Is it not a fact that where extra trains have been put on, extra sidings and extra crossing-places have had to be made?—Yes, that is so.

554. Is it not a fact also that at the present time the rates for merchandise are exceptionally low as compared with long-distance charges on Australian railways?—Yes.

555. *Mr. Hatch.*] I should like to ask Mr. Hannay what is the proportion of the passenger and goods revenue to the total receipts?—The passenger revenue is about 40 per cent., and the goods revenue about 60 per cent., of the whole.

556. *Hon. Mr. Richardson.*] Can you tell us how our grain-rates compare with the rates on the Australian railways?—Our grain-rates are somewhat in excess of the Victorian, but not much.

557. *Mr. Maxwell.*] With regard to the question of increase of traffic that we could carry on single lines, you remember, of course, that there are two lines tolerably certain to require doubling—Auckland to Penrose, and the other, Port Chalmers to Mosgiel. I think these are the only lines which would require to be duplicated if a large increase took place?—Yes; I think I guarded myself by saying that, if the increase were suburban traffic, these lines would require to be doubled.

Mr. Vaile: I should like to be afforded an opportunity of removing a wrong impression which Mr. Maxwell has made. He stated that the rates I propose going to a port are greater than coming from a port.

The Chairman: No; I think the example Mr. Maxwell gave was the rates from Buckland to Auckland, as against those from Buckland inland.

Mr. Vaile: I give these low rates to the country as against the towns to assist in filling up blank spaces. It is not differential rating as it exists now on the railways, where the rate for carrying goods is one price in Canterbury and another price in Auckland for the same distance.

Mr. Whyte: But under your system one country settler in precisely the same circumstances as another will be handicapped in getting to the port if he happens to be outside some centres of population; and the more centres there are, the worse off he is.

Mr. Vaile: My reply to that is, that the whole object is to place distant settlers on an equality with those nearer the large centres, and I hold it is sound policy to do so.

Mr. Whyte: Yet many settlers might be at the same distance from the port, and pursuing similar industries, and yet be worse off than many others.

Hon. Mr. Richardson: And every time a town of two thousand people springs up you have got to put on an extra stage.

Mr. Vaile: The settler living in a sparsely-populated district gets his goods carried at a cheap rate, while settlers who are in more thickly-populated districts, who have the advantage of a market close at hand, can, I think, justly and fairly pay more money.

Hon. Mr. Richardson: What conceivable reason is there that a man living at, say, Te Awamutu for five years, because the space between that town and Auckland gets populated, has to pay 6d. a ton on all the produce he sends to port?

Mr. Vaile: My idea is this: that, supposing a town did spring up between these places, the farmers would find a market for a great deal of their produce at that town: they would not require to send so much of it to port for shipment. And, as I have before stated, this stage question is a temporary one, leading ultimately to a universal rate.

TUESDAY, 29TH JUNE, 1886.

Present: The Chairman, Messrs. Gore, Macandrew, O'Connor, Walker, Whyte, and Hon. Mr. Richardson.

Mr. HANNAY further examined.

558. *Mr. Maxwell.*] You said in your evidence the other day that if Mr. Vaile's system were adopted it would establish differential rating of the worst description. Will you explain what you meant by that statement?—Apparently Mr. Vaile has given no consideration to the cost of the service, nor to the existing channels of trade; the rates seem to be made without any reason, and in many cases there would be an enormously increased cost to the railway without any advantage being gained. I do not now allude to the amount of the rate, but to the method of charging by stages. As an example: from Nukumarū to Patea is twenty miles, which would be charged as one stage; from Nukumarū to Wanganui is twenty-one miles, and would be charged as three stages—that is to say, for almost the same distance the rate to the Wanganui port would be three times as much as to the Patea port, Wanganui being at present the principal port of shipment for that part of the Island.