

Mr. MAXWELL cross-examined.

617. *Mr. Vaile.*] You are now General Manager of New Zealand Railways, Mr. Maxwell; I would like to ask if you had any experience in railway management before you came to New Zealand?—No.

618. Had you any experience as a transit traffic-manager of any kind before you came to New Zealand?—What do you mean?

619. There are various kinds of transit-traffic—traffic on steamboat?—No, not of that kind.

620. You had no experience of dealing with traffic of any kind before you came to New Zealand?—Not of the kind you mention.

621. Had you any commercial training before you came to New Zealand?—Yes.

622. Any financial training?—Yes.

623. In what respect?—I began my life in a large manufacturing establishment, and, in it, had a commercial training before I commenced engineering.

624. Then, you were trained as an engineer before you came to this country?—Yes; I was trained as an engineer, and subsequently had charge of large works which employed five or six hundred men; being then engaged as contractor's engineer in carrying out the works.

625. Is the position of General Manager the only position you have held on the New Zealand railways?—After coming to New Zealand I was District Engineer at Christchurch, having charge of the railways under construction from Hurunui to Rangitata.

626. Have we, on the New Zealand railways, sufficient rolling-stock to carry two or three fares where we carry one now?—It depends on circumstances; in some cases we have ample rolling-stock, in others we have not room to carry any appreciable number more.

627. You are of the same opinion as other witnesses, that we could not carry two or three fares for one we get now without a considerable increase of rolling-stock?—I should think not.

628. You do not feel quite sure of it?—It depends upon where they come; we could not if it was suburban traffic; but, if it was country traffic, where the trains are now very light, you might do so; but you cannot expect travellers to come to suit your convenience in that way.

629. As to differential rating, which is one of the most important questions before us, there was nothing particularly new in your definition of the term, and I have heard it all before, but I do not think you told us all its meaning. I think I shall bring absolute proof to show that it is a system of plundering your customer when, where, and how you can. I believe you approve of differential rating?—I do.

630. And you advocate its still further extension on our railways?—Wherever it is necessary to encourage, develop, or get traffic or revenue, there it ought to be in operation.

631. Is not one of your objects, in differential rating, to put the rates in such a condition as the public will not be able to read them?—No; certainly not—decidedly not.

632. I should like to read an extract from Mr. Maxwell's report for 1884. He says: "The system of rating differentially in this colony is not carried far enough, and the difficulty that stands in the way is the impatience of the public in submitting to different treatment in different cases, and the reluctance to place in the hands of the railway officers the power which would be necessary for carrying out the principle extensively. While retaining publicity by gazetting each rate, were such a principle more widely introduced, the public would not be able to do what it now, to some extent, essays to do—read and interpret the rates generally; but the practice followed elsewhere would be necessary: the customer would appeal to the station each time he required a rate quoted; and, whether the railways were managed by a Minister or a Board, more power and freedom in respect to rating would have to be placed in the officers' hands. The sensitiveness of the public is then the chief difficulty; but this is not allowed to intervene in cases where many millions of revenue are concerned, and can be, no doubt, overcome here by patience and time, provided the colony recognizes that the principle is a desirable one, and gives the proper power to administer it. Maximum rates might be fixed by law, and a suitable court of appeal constituted to prevent abuse of the powers given." These words are pretty clear and distinct—"that the public would not be able to do what it now essays to do." Why should not the public read and interpret the rates?—I said that they should be gazetted, to give them publicity; but if you get a very large number of these local rates they will become voluminous, and would not be so readily read; so that it would be necessary for the public, as a rule, to go to the station to get the proper rate quoted.

633. And you think it would be an advantage to the public?—It would be no disadvantage; they go now to get rates quoted: every merchant does so, and it is also the practice with merchants in England, where there is differential rating, to go to the station to get their rates quoted.

634. On what principle do you justify differential rating on New Zealand railways?—I think I have said already that it is to encourage local industries, to meet competition, and to give facilities where they would be of advantage to the country and railway. These principles are wide enough. I will give you a case in point—Newcastle coal is largely imported into Dunedin; the Government has made a local rate in favour of brown coal, a native industry, so that the Kaitangata coal may meet the competition of the Newcastle coal in the Dunedin market.

635. I think you have told us that its object was to secure equality in the treatment of the public?—No, I did not tell you that.

636. I will read from your own writing: "Following on the inquiry of the English Committee, the President of the Board of Trade has brought down a Bill to deal with the railway traffic, in which the principles of differential rating are preserved, and equality of treatment, according to Cardwell's Act of 1854, is maintained. This equality of treatment is considered generally to be obtainable only under the same conditions—that is to say, with like quantities and classes of goods from and to the same stations, all persons are insured like treatment under like conditions. A scheme which ignores the cost of the service would not give equality of treatment." I ask you if