

differential rating in New Zealand does insure equality of treatment?—Differential rating and equality of treatment are two different things. You get equality of treatment if you have like rates under like conditions: that is the equality of treatment.

637. How do you mean equality of treatment?—Equality of treatment is only obtainable under precisely similar conditions—that is, like quantities of the same class of goods from and to the same points and in the same direction, and also a like cost of service.

638. Will you be good enough to explain the meaning of a ton-mile?—A ton-mile is usually held to mean one ton carried one mile.

639. And the cost of doing that—when you talk about ton-mileage—would mean the cost of hauling a ton a mile?—Yes, that is so.

640. If you will turn to your report for 1885 you will find this statement: that on the Auckland lines the cost of hauling a ton a mile is, in pence, 2·43. Does that include any charge for interest?—No; it includes working expenses, such as maintenance of buildings, labour, loading and unloading, &c. Interest is never counted as part of the working expenses.

641. A ton-mile means, then, the cost of moving a ton a mile, including its proportionate charge for buildings, maintenance of permanent-way—in fact, everything except interest?—Yes.

642. Then, the cost of moving a ton a mile in Auckland during the year 1885 was 2·43d.?—Yes, that is so.

643. And for moving a ton in Napier it was 2·13, and on the Hurunui-Bluff line it was 2·47?—Yes.

644. For the year we have just now got the report for, on the Auckland line it was 2·24, on the Napier line it was 2·15, and on the Hurunui-Bluff it was 2·48?—Yes.

645. What is the meaning of a train-mile?—It means a train moved a mile.

646. Including the same charges as the ton-mile, but no interest?—Just so.

647. Then, the cost of hauling a train is the cost of hauling one mile without interest?—Everything is included except interest. The cost is not for haulage only, but for all working-expenses.

648. On Return No. 4 you give the train-mileage and the cost in pence: the train-mile last year in Auckland cost 51·01d., in Napier it was 46·92d., and on the Hurunui-Bluff line it was 59·45d.?—Yes.

649. For the year just concluded it was in Auckland 48·34d., in Napier it was 45·15d., and on the Hurunui-Bluff line 56·71d.?—Yes.

650. Then, we have this fact established, both by the ton-mile and the train-mile, that the cheapest railway we have working is the Napier line, next comes the Auckland line, and then the Hurunui-Bluff. I cannot see where is the equality of treatment under the differential system?—You have gone entirely away from the answer I gave you just now.

651. From these figures, have we not established the fact that it is cheaper to work the Napier line than any line in the colony, that next comes the Auckland line, and the Hurunui-Bluff line comes third?—Possibly you are right.

652. Am I not absolutely correct?—I will assume that you are right; I think you are. I will take a note of it and compare the figures.

653. Now, under these circumstances, are you justified in charging the Auckland or Napier man £1 5s. for the same service as is rendered on the Hurunui-Bluff line for £1?—I think you will find that the Hurunui-Bluff revenue bears a larger proportion to working-expenses than is the case in Auckland: that really the Hurunui-Bluff customers pay higher rates on the average than the Auckland people do.

654. Is it any wonder when the rating is so against Auckland and Napier?—The rating is not against Auckland.

655. I assert that it is?—My opinion is that it is in favour of Auckland.

656. Is there not on all Class E a rate and a quarter charged, except direct to the port?—Yes, that is so; and when southern grain is carried up to the Waikato a rate and a quarter is charged.

657. And when Auckland grain is carried to Newmarket, a rate and a quarter is charged?—Yes; but very little goes to Newmarket: it is inconvenient to deliver it there.

658. Is it not a fact that in Auckland and Napier all goods of Class D are charged as Class C?—No, it is not the case in Auckland; in Napier it is.

659. Has there been any tariff issued since the 15th March?—It has never been the case, as you state, that all goods of Class D were carried as Class C. If you refer to page 332 of the *Gazette* you will see that the rates have prevailed for many years. There is a separate charge for Class D.

660. There is a special rate for all goods beyond Ohinewai carried up to Cambridge and Te Awamutu, and on the rest of the line goods of Class D are charged as Class C?—Not on all the rest of the line, I think.

661. Then, there are different rates charged on the Auckland-Onehunga line, and throughout the Napier line it is the same. Goods of Class E are charged a rate and a quarter; is that not so?—Yes, that is so. There is no produce exported from Napier; it is all an import and retail traffic.

662. Then, we have this fact, that although the Napier line is the most cheaply worked in the colony it is very heavily over-rated. For carrying a ton of goods fifty miles on the Hurunui-Bluff line the charge is 17s. 5d.; in Auckland or Napier it is £1 2s. 11d. For carrying a ton of goods 100 miles on the Hurunui-Bluff it would be £1 6s. 6d.; in Auckland or Napier £1 13s. 7d.—that is, for goods of Class D. For goods of Class E for the fifty-mile distance it would be: Hurunui-Bluff, 8s. 8d.; throughout the whole of the Napier line, and on the greater part of the Auckland line, the charge would be 25 per cent more. For 100 miles on the Hurunui-Bluff it is 12s. 10d., and 25 per cent more on the other lines. I think differential rating in New Zealand does not insure equality of treatment to the public?—I never said that differential rating insured equality of treatment.