

663. I think you have?—I never said anything about securing equality of treatment. You are confusing two things totally different.

664. Do I understand you, then, to say that it does not insure equality in the treatment of the public?—You can get equality of treatment under differential rating just as under any other system.

665. Then, you mean to say that it is equality of treatment?—I do not say so; but you can get it under like conditions.

666. We are not getting equality of treatment under like conditions?—Yes, you are; every man can get equality of treatment under like conditions.

667. What are the differences in the conditions between the Auckland and Napier and the Hurunui-Bluff lines that they should be rated so differently?—They vary so largely that I can hardly state the conditions fully now; they are widely different.

668. Is it not a fact that the Napier lines pay the best of any lines in the colony?—Yes; the highest rate of interest, except the Brunner coal-line.

669. Then, if they pay the best, you cannot justify the ground you take up. You said that the Auckland line did not pay as well as the Hurunui-Bluff line, and that was your justification for the treatment they received?—I did not allude to interest; I think I said the percentage of revenue to expenditure was higher on the Hurunui-Bluff than on the Auckland line.

670. The revenue cannot be greater in proportion to the expenditure when it costs you 59·75 per train-mile?—Yes, it can. This is the proportion of expenses to revenue: Hurunui-Bluff, 63·84 per cent.; Auckland, 68·48 per cent.

671. There is one thing quite certain, that the Hurunui-Bluff does not pay as good a rate of interest on the cost of construction as the Napier line?—No, it does not.

672. It has been repeatedly stated that the justification of differential rating was the cost of the service to the country?—I do not think it has been stated so.

673. I should like to know how you justify charging thirty-five miles at Christchurch as fifteen, while all the rest of the colony pays for the full distance?—You ask why we make a lower rate from Southbridge—there is a large amount of competition on the road by carts.

674. Then, I want to know how you justify charging 8s. a ton for carrying goods, Classes A, B, C, and D, twenty-one miles from Christchurch to Rangiora, including collection and delivery in Rangiora and in Christchurch, and for the same service in Auckland or Napier you charge for Class A, 14s.; B, 12s. 6d.; C, 11s.; D, 11s.; without collection or delivery at either end?—It is a different rate made to meet road-competition. What justifies it is that Kaiapoi and Rangiora are situated on one side of Christchurch and the Christchurch railway-station on the other; you have to pass round Christchurch to get to these places by rail, and there is cartage going on direct between Christchurch and these places; therefore it is necessary, if the railway is to be of any use at all to these places, to make these low rates.

675. *Hon. Mr. Richardson.*] I should like to be allowed to put one question in reference to this matter: Mr. Vaile has stated that this has been done because I happen to represent that district. I want to ask Mr. Maxwell whether it was not the fact that this lower rate was put on at the distinct pressure of the local bodies that had these roads to keep in repair, and, having answered that question, whether it is not a fact that we are still being pressed to further reduce the rates because they do not affect the carrying-traffic on that road?—It is a fact that that demand has been made by the people who have to keep the roads and by the public who want goods carried. The rate has been in force for years, long before Mr. Richardson represented that district, and was made under another Minister. The local rates were first made when Mr. Oliver was Minister for Public Works; lately the people of Rangiora and Kaiapoi have pressed to have them still further lowered, because they say that the carriers are to some extent taking the traffic.

676. *Mr. Whyte.*] Is that mainly owing to the fact that the road is shorter?—Yes, mainly; and, of course, to the taking-up and putting-down business on the road.

677. It, in many respects, resembles the traffic between Auckland and Onehunga?—Yes; the carriers take orders from the people at their houses, go direct into town, and take the goods back. It is very difficult to compete with them.

678. If you did not compete, probably the trains would run empty?—Yes, no doubt; if we left the old rates on we should get no traffic.

679. *Mr. Vaile.*] Then, the scale for the small line from Christchurch to Southbridge, in many respects, is less than half the average general scale?—The local rate is made for the same purpose to utilize the railway—cartage-competition comes in there again.

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WEDNESDAY, 30TH JUNE, 1886.

*Present:* The Chairman, Messrs. Gore, Macandrew, Whyte, and Hon. Mr. Richardson.

Mr. MAXWELL's examination continued.

680. *Mr. Vaile.*] I think yesterday, when I was asking you what was the justification for imposing differential rates against Auckland and Napier, you said it was because the proportion of revenue to expenditure on the Hurunui-Bluff line was better than it was on these lines?—No, I do not think I said that. I think I said I would reserve my answer to that question. I merely pointed out one case in which the proportion of revenue to expenditure was better—Hurunui-Bluff better than Auckland. I did not mean to say that was the reason for imposing differential rates.

681. I ask you now, seeing that the Napier line pays a higher rate of interest—seeing that the cost per ton-mile is less, and seeing that the cost per train-mile is less, and seeing that the proportion of revenue to expenditure is better—on what principle do you justify the high differential rate