

which you impose on that district?—Are you not taking it for granted that the rates which are collected on the Napier line are higher per ton than the rates collected on the Hurunui-Bluff line.

682. I am taking this fact: that you charge a rate and a quarter on Class E, and you charge Class D as Class C, and that you also impose a higher rate on other classes?—I do not think it requires any justification. The simple reason for charging rates and fares is to get revenue; there is no other reason that I know of.

683. Then, I am justified in what I say, that the differential-rating system is simply a means for taking money when, where, and how you can get it?—I do not think I can assent to that question. The differential-rating system, as I have explained, is introduced for the purpose of getting traffic and meeting competition.

684. I must press my question and ask you for a direct answer to this: what is the object of that differential rating as imposed against Napier?—How do you know that there is a differential rate imposed against Napier.

685. *The Chairman.*] Is there any difference in the rates charged in Napier as against the other lines in the North Island?—Some rates are different from the Hurunui-Bluff rates; but, when you come to the question whether the absolute charges per ton on all goods carried were higher, I should say they are not; and that probably they are higher all round on the Hurunui-Bluff than on the Napier section.

686. Napier is not specially singled out?—No; it is not. There are specially high rates on all the branches of the Hurunui-Bluff section.

687. *Mr. Vaile.*] All goods of Class D are charged as Class C on the Napier line—that means that the charge for that class in Napier for a fifty-mile distance is £1 2s. 11d., and on the Hurunui-Bluff line it is 17s. 5d. Then, on Class E goods are charged a rate and a quarter in Napier as against a single rate on the Hurunui-Bluff section.

688. *Hon. Mr. Richardson.*] What part of the Hurunui-Bluff?—I think on the whole of the section only a single rate is charged. I am not aware of any extra charge.

689. *Mr. Vaile.*] These are the general rates; there may be special rates on the short lines; if so, they will tell very greatly in favour of the Hurunui-Bluff section. What I want is Mr. Maxwell to tell me on what principle are these extra rates justified?—On the same principle that they are justified elsewhere—to get revenue.

690. Simply to get revenue?—Yes; there is no other reason for charging rates and fares. I will explain why it is that the profits are higher on this line. It is not, I think, because we get more from the goods-traffic, but the passenger-traffic in Napier is better than it is on the Hurunui-Bluff section; there is a considerable through traffic, many persons going north from Wellington go overland to join the steamer at Napier and come back the same way, and it is the passenger-traffic which, in my opinion, gives such good results on the Napier line. That is one reason why the better rate of interest is paid. Another reason is that the line cost less per mile to construct.

691. *Mr. Macandrew.*] I understood that interest was not included?—Mr. Vaile mentioned the interest just now in asking the question.

692. When the line is open through to Palmerston, what will be the effect?—It will be one section then from New Plymouth to Napier; that would reduce the average profits as far as we can judge.

693. *Mr. Whyte.*] The answer you gave as to equality of treatment of the public applies to both systems?—Mr. Vaile claims that he secures equality of treatment all over New Zealand by his system; the advocates of differential rating have never claimed such a thing as that; they know that, practically, equality of treatment can only be obtained under precisely similar conditions. There are no two lines alike. As I have pointed out, fifty miles over the Rimutaka is very different from fifty miles on the Canterbury Plains; although they are both in the country, they are under very different conditions: but railway managers all over the world have never claimed that they can give equality of treatment unless the conditions are precisely similar, that is, the same quantity of the same class of goods from and to the same points. It is Mr. Vaile who claims to give equality of treatment, and I maintain that he cannot do so by dividing his lines into fifty-mile sections, as a fifty-mile section in one part of the country is not the same as in another.

694. Do you admit that, while the cost of working the Napier line is less than other lines, the charge for goods is more on the average?—I do not think that the average charge is more. In some cases it is more, but in some cases there are higher charges on the Hurunui-Bluff section also.

695. *Mr. Whyte (to Mr. Vaile).*] Assuming that the average charge is more, what bearing would that have on your view of the case?—I am speaking at a very great disadvantage in not having all my books with me—in fact, I was summoned here at very short notice—and I have not my English works on differential rating here, or I would be able to prove my position very much better; but, speaking from memory, what I say is that the plea for differential rating, I understand, is that it secures equality of treatment to all people under like circumstances. Now, I want to show by this comparison between the Napier and Hurunui-Bluff sections that it does not do so, and I am quite certain that I shall be able to take all the figures and prove my position.

*Mr. Maxwell:* It has never been claimed that differential rating secures equality of treatment under all circumstances, but that it allows it under like conditions.

696. *Mr. Vaile.*] You stated, Mr. Maxwell, just now that the returns on the Napier line were brought up by the passengers: in the ton-mileage is the weight of passengers reckoned?—Yes, it is.

697. How many do you calculate to a ton?—I could not answer that without reference, but the calculation is based upon the average gross weight hauled. We do not count the number of passengers alone; we have to take the quantity of goods carried and the dead weight hauled with it, and the quantity of passengers carried and the dead weight hauled with them, to arrive at an average.