

25. *Mr. Duthie.*] That includes cargo?—Yes; roughly, £100 passage-money and £60 for cargo. Three trips a week mean thirteen trips a month, but a steamer would require at least a month each year for overhaul, so would run practically eleven months. You can only calculate an average of twelve trips a month. Twelve trips at £160 each equals £1,920 per month, based upon our last year's experience.

26. That is for the "Rotomahana" and "Penguin"?—Three trips a week by these steamers or a substitute.

27. It does not apply solely to the "Rotomahana"?—Oh no, it is for whatever steamers have done the work for the 160 trips. Taking those figures, the amount of subsidy required to cover cost of working the respective steamers which have been described would be: For the "Rotomahana," £6,000 a year; for the twelve-hours steamer, £12,000 a year; for the eleven-hours steamer, £17,000; and for the ten-hours steamer, £22,500. It is thus quite evident that the public idea of the value of this service is a very exaggerated one. The "Penguin," as you know, carried out this service for, I think, two years or more, and did it very well, and it was profitable, because £1,750 a month will cover all her working charges, and interest, insurance, and depreciation. So that in her case there was a very fair profit.

28. *The Chairman.*] At the sacrifice of the comfort of the passengers?—Well, not their comfort so much, but their time. It has always been our custom to consider the interests of passengers, and on this account we put on the "Rotomahana," but the experiment has not been satisfactory. The traffic on all our lines has very much fallen off. The earnings of the local steamers running out of Wellington now, such as the "Takapuna," "Penguin," "Rototiti," &c., have fallen off compared with last winter. I have gone into these calculations very carefully, and I do not think I am very far out. My estimates of expenditure are based upon the experience of the "Rotomahana," and I have made provision for increased cost of running in the shape of coal-consumption, manning, interest, insurance, and depreciation.

29. Will you say at what price the coal is set down in your estimate?—I have charged the steamers 17s. 6d. per ton.

30. *Mr. Duthie.*] In both ports?—Yes; they get a good deal of their coal in Lyttelton because they have more time there.

31. *The Chairman.*] Is the "Rotomahana" fitted with bilge-chocks?—Oh yes, she was the first merchant-steamer ever fitted with them. That was nineteen years ago, and we have never since built a ship without bilge-keels; indeed, we have fitted them to several vessels which we have purchased, and with very satisfactory results.

31A. How is it she rolls so much?—The "Rotomahana" is on very fine lines. She is very fine at the ends. She was built for speed. Steamers nowadays are not built on such fine lines. They are made more flat on the floor, and have other alterations.

*Mr. McNab* (to the Chairman): I have not understood that he has given an answer to the question about the cost of this fast steam service.

*The Chairman:* He has not stated the price at which he was prepared to contract, but he has stated what he estimates the extra cost would be.

*Mr. Mills:* I have gone into it very carefully, and that is my estimate of what is necessary on basis of present trade.

32. *The Chairman.*] Yes, but that is subject to discount for possible increase in traffic, and for other considerations connected with the fact that you hold a monopoly of the trade. That is as I understood it?—Yes, quite so. We shall be prepared to make an offer for the service at the proper time, and in tendering shall, of course, take into consideration possible increase of traffic owing to altered train arrangements, hours of sailing, &c.

33. *Mr. Duthie.*] You have not alluded to what we call train connection. You run one or two days a week without the benefit of the through passengers. As I understand it, the object of this Committee is to get through traffic to the North. For instance, you could leave Dunedin and get to Auckland in fifty hours. Your steamer over-night would connect with the through train from Dunedin, and similarly at Wellington with the through train to the North. Do you not think that a regular service like that would develop the traffic?—We have been running this ferry service in connection with the Dunedin express train for years.

34. You do not connect with our Northern Railway to Napier, and so on to Auckland?—No.

35. Is it something on the lines you contemplate that, when the southern train arrives at Lyttelton, you would connect with that, and, then, thirteen hours later, the passengers could be leaving Wellington for the North?—If the through traffic is great enough. I do not think it would be. The train-service from Dunedin to Christchurch, and the running of the boat, should be arranged solely for the convenience of the traffic between Dunedin and Christchurch and Wellington. In my opinion, they are not at present. I think the trains and steamers run at the most inconvenient times. The train should leave Dunedin at half-past 9, and the boat leave Lyttelton at 8 o'clock at night, and arrive here at 8 o'clock in the morning. These hours would suit the traffic on the line; passengers would get their meals at more reasonable hours than at present, and Wellington passengers would reach home at a convenient hour in the morning.

36. What we contemplate is that the train should leave Invercargill at 2 o'clock in the afternoon and get to Dunedin that night, and should leave next morning by half-past 8, and the passengers get away from Lyttelton at, say, half-past 6 to connect with trains here at half-past 7 the following morning for the North, so that you have through communication, except for one night, from Dunedin to Auckland?—In my opinion, the Dunedin, Christchurch, and Wellington traffic is more important, and the hours I have mentioned are more convenient for them. It is too early to bundle passengers on shore in Wellington at 6.30 a.m. in winter.

*Mr. Duthie:* No; I did not say that. I said that the steamer would arrive at half-past 6, but the train would leave at half-past 7. We want to facilitate travelling and passing through the