

country, and it does not interfere with you from Dunedin at all. And, if half-past 7 would be too early, then make it a bit later.

*The Chairman* : Yes, that could easily be done.

37. *Mr. Duthie* (to witness) : Do not you think a through service of that sort would tend to develop a greater passenger traffic? The Harbour Board here might be disposed, in order that this should be carried out, to widen the wharf and extend the railway so that the train can come alongside the boat?—In my opinion the local traffic you have referred to is not capable of much development. We have not a large population. We have not people of wealth and leisure travelling about. Our traffic is all business people; you may develop that a little, but not much.

38. Do not the people of New Zealand travel in proportion more than those of any other country? And is not the passenger traffic larger in proportion?—I do not know about that; I have seen it so stated.

39. *Mr. Buchanan*.] How is it then, if people travel only on business, that you see such a very large proportion of women travelling by steamers?—When I said solely on business I should have said largely on business. During the summer season there are a large number of women travelling. What I want to emphasize is that we have not the large proportion of people of wealth and leisure that they have in older countries. All the railway arrangements here are calculated to deter people from travelling. I allude to overcrowded carriages, platforms, and ticket-offices.

*The Chairman* : Only we want to change that a little by giving greater facilities to the people.

*Mr. Mills* : I am not an advocate of high speed on our trains, because I do not think the traffic warrants it, but I am an advocate of greater conveniences in the direction I mention.

40. *Mr. Duthie* (to witness).] You have recognised that there is a considerable feeling in the public mind that faster steam-services should be established?—Yes, I have recognised it. That is why we tried the “Rotomahana.”

41. You are not at present prepared for any more development of it?—No, not at present.

42. Of course, you understand that the object of the Committee is to try and see if we can do so?—We are not prepared to do so without assistance, but will be glad to undertake it with a suitable subsidy. Our larger steamers do not earn their salt.

43. We are to understand that if it was a daily service instead of a tri-weekly the proportion of loss would be greater?—Yes.

44. You have no steamer faster than the “Rotomahana” in the trade?—No, but if the “Rotomahana” were to run the whole of her boilers she could run at greater speed and maintain a twelve-hours service. There would be more vibration.

45. *Mr. Lewis*.] You say the cost of running the “Rotomahana” is about £2,000 a month, and you want £500 a month for depreciation and interest: is that so?—Yes; for depreciation, interest, and annual overhauls.

46. She has been running for about nineteen years. What rate of depreciation do you allow?—I reckon £250 a month depreciation on her original cost of £60,000.

47. Then, in nineteen years you have written £57,000 off her cost?—Yes.

48. Having regard to her present value, does not that appear to be an excessive sum?—She must be written off in twenty years, her value is coming down every day.

49. Which is to say, that in another year she will have written off her entire cost, and her then value would represent a very considerable sum?—No; because she would require a very large expenditure to make her fitted for a few years' more work, and that would have to be written off in its turn. At the end of twenty years a vessel requires re-boiling, and a very large expenditure in other respects to bring her up to date, so that the writing-down process continues all the time.

50. And some sort of a fund for maintaining her in a state of efficiency?—No, maintenance goes on also. The annual overhauls average from £1,000 to £2,000, according to the size of the ship, in addition to the ordinary maintenance, and in addition to depreciation.

51. And you charge that to the cost of running?—Yes.

52. As to the traffic, you say the putting on of the “Rotomahana” has not resulted in any settled increase of traffic or material?—No.

53. What has been your experience in connection with your lowering fares? Could you give us a general idea what the effect of lowering fares would be? Has it a tendency to increase the number of the travelling public?—Certainly it has, but it has not paid us to do it. We had a long period of low fares, carrying a large number of passengers, but it was very unprofitable; and even now we have recognised that our intercolonial fares are too low, and we have some idea of increasing them, simply because the larger boats are not paying their way.

54. I suppose there is no material difference in the cost of running a steamer full, as compared with half-full, of passengers from here to Lyttelton?—No, only for provisions, and that is not a great matter.

55. Then, if at the same fares we gave increased facilities, which is almost the same as lowering the fares, do you think it would result in any considerable accession of traffic?—There would be some increase of traffic or diversion of traffic, especially if the steamer ran at seasonable hours. As the ferry steamers run at present, leaving Lyttelton at 10 o'clock at night, there is no tendency to increase the number of passengers, as the Christchurch passengers prefer to leave at an earlier hour.

56. Do you think there would be an improvement if the railways were so made to work that there would be better arrangements with the steamers?—I could not say; we now run in connection with the Dunedin-Lyttelton trains.

57. What I wanted to get out was, whether by running the steamers and trains harmoniously, and in the same interest, instead of as now in separate interests, the traffic would be improved, and probably increased?—I do not think it is very likely.