

58. To put it roughly, I suppose your opinion is this: that no one travels between here and Lyttelton unless he is compelled to?—I did not say that. There is a large tourist traffic even among local people, but I do not think people travel in winter unless for some special reason.

59. *Mr. McNab.*] Seeing that it would prove so difficult and expensive to reduce the time between Wellington and Dunedin by some two hours through the steam-service, would it not be more economical to retain the present steam-service, and get the two hours' reduction in the train between Lyttelton and Dunedin?—Certainly.

60. *Mr. Meredith.*] Based on the income and expenditure of the steamers "Rotomahana" and "Penguin," running between Lyttelton and Wellington, what bonus might the company want so as to cover the distance between the two ports in twelve hours in a daily service?—I have already practically answered that question. I have given estimates of the deficiency in earnings based on the present traffic. I did not exactly say what we would do it for, because, as the Chairman has said, other considerations might come in. I stated a steamer of large reserve power to guarantee a twelve-hours service would require about £12,000 a year as a bonus.

61. That is the difference between your estimated cost of running and the present traffic?—Yes.

62. *Mr. J. Hutcheson.*] Your estimates of the cost of the service have been based on the "Rotomahana's" work. Would it have been anything like that had she been a modern triple-expansion boat with every modern improvement in the way of cutting down the cost?—I have explained that any saving in coal in a vessel with more modern engines would be more than counter-balanced by the extra value in the vessel, and consequently the increased interest and insurance. The "Rotomahana" is written down to £10,000 in our books, and these calculations as to interest, insurance, &c., are based on this sum. When you come to deal with a vessel of the value of £60,000 the interest and insurance amount to very large figures. In the case of the "Rotomahana" the insurance is £40 a month, while in the case of a larger power vessel it would be from £400 to £600 for interest and insurance. That far more than covers the saving in coal.

63. If you were asked to initiate a service similar to what is now being maintained by the "Rotomahana" you would undoubtedly have a more economical boat?—We could not run another boat as cheaply as the "Rotomahana." I may explain that the "Rotomahana," running a thirteen-hours service, uses 55 tons of coal on the round trip. I estimate that a new boat to give a reliable twelve-hours service, and with reserve power, would use 70 tons for the round trip. This is a difference of 180 tons per month—£157 10s.—besides additional wages, oils, &c., together considerably exceeding £200 per month in engine-room alone in excess of "Rotomahana."

64. But if you were asked to initiate the present service you would undoubtedly require a more economical boat, the "Rotomahana" being at a very small cost now and being obsolete?—The "Rotomahana" being at a low value has an advantage over a new boat at a high value.

65. *Mr. Buchanan.*] I understood you to say that a 16-knot boat—builder's speed, 17½ knots—to run the distance in eleven hours, would cost £70,000. Is that English price, or delivered in the colony?—Delivered in the colony.

66. Would that be the cost of delivering a boat like that in the colony?—The cost of delivering in the colony includes all the equipment as well as cost of voyage out. The silver, and cutlery, and napery, and a lot of spare gear and stores are not included in a building contract. This, together with the cost of bringing her out, varies from £5,000 to £10,000.

67. *The Chairman.*] In short, furnishing the boat?—Yes; and the cost of trials, and so on.

68. Taking the cost of a boat required for such a service, you do not think you are over-estimating the cost of a boat such as we have mentioned—a 2,000-ton boat running regularly at 16 knots—at £75,000?—I do not think so. A good deal would depend upon the specifications. You would require a very much stronger boat for our purpose than is usual for short runs at Home.

69. *Mr. Buchanan.*] Would you call it a ferry-boat such as would run from Hull to Ostend?—They are not fast boats. The fast boats I had in my mind are from Harwich across to Antwerp and Holland—a hundred and twenty to a hundred and forty miles.

70. *The Chairman.*] We want the distance from Hull to Amsterdam?—That is 223 miles.

71. *Mr. Buchanan.*] Would you call that a ferry-boat?—Well, I suppose all those boats running across are ferry-boats. I do not know what class of boat is running there.

72. *The Chairman.*] They are boats of 1,800 tons and 18 knots from Hull to Amsterdam?—Yes; they would probably go from 15 to 16 knots.

73. Would not they require to be as substantial as those from here to Lyttelton?—Possibly; but I know a great deal is sacrificed to speed in connection with Channel boats.

74. Would they carry cargo to any extent?—Yes; what they may need to carry—200 or 300 tons, perhaps.

75. *Mr. Buchanan.*] Would the average weather to be expected between Lyttelton and Wellington be rougher than in the English Channel and Irish Sea?—Not rougher, I think, than in the German Ocean. I think, on the whole, the weather on the New Zealand coast is rather better than on the English coast.

76. *Mr. M. J. S. Mackenzie.*] Was not the "Takapuna" originally intended to run an express service from Lyttelton to Auckland?—She was.

77. How long did she continue?—One season.

78. Why did she knock off?—Because of the poor support she received.

79. What was her time?—From thirty-six to forty hours.

80. From Lyttelton?—From Onehunga to Lyttelton. I believe passengers have reached Dunedin in forty-eight hours.

81. There was a loss?—Yes.

82. Hopeless?—The "Takapuna" has not paid us from first to last.

83. How long would that be ago, Mr. Mills?—Fourteen years ago.