

84. Do you not think the increase of population and traffic would make a difference now?—The circumstances are different now, because at that time there was no through train from Wellington to New Plymouth, and all through traffic came by steamer. Now a large number of passengers embark and disembark at New Plymouth. Only a limited number come through by steamer.

85. When you were running the "Takapuna" for that express service I presume that the traffic from Dunedin to Wellington would be very much greater than that from Wellington northwards?—The "Takapuna" did not come further south than to Lyttelton; she ran from Lyttelton to Onehunga. That is what she was designed for.

86. The traffic from Dunedin, then, would reach her in Lyttelton?—Yes.

87. The steamer traffic would be larger, I presume, from Lyttelton to Wellington than from Wellington north?—I imagine so; I have not the figures before me.

88. I suppose if the train-service were altered the steamers would at once fall in with the alteration?—Yes.

89. If the express arrived at 6 o'clock in Lyttelton you would start to suit it in the same way?—Yes; it would suit us to do so, because we have the steamer idle in Lyttelton from 6 in the evening till the train arrives about 10, whereas the time could be spent at much greater advantage in Wellington if she arrived earlier in the morning.

90. Can you explain how it is that, when the Vancouver mail-steamer arrives here at 8 o'clock in the morning, the steamers do not start south sometimes till 12 o'clock at night?—Our steamer leaves Wellington on Saturday nights at 11 o'clock in connection with the Napier and Wanganui trains to suit the convenience of the travelling public.

91. So that the convenience of the mails is sacrificed to local traffic?—I suppose you refer to one particular occasion? Our ordinary running is at times much upset owing to irregularity in arrival of ocean mails.

92. *The Chairman.*] What dividend did your company pay this last year?—Five per cent., with a small bonus from the Insurance Fund—1 per cent. from the insurance.

93. You have told us that your larger steamers "do not earn their salt," and that the "Rotomahana" was running at a loss of from £400 to £500 a month in the winter time. From what source, then, is the dividend derived?—We have a fleet of fifty-seven steamers engaged in various trades, and, naturally, they are not all run at a loss. I stated that we tried the "Rotomahana" for a season as an experiment, but we could not continue to go on running her at such a loss when we could do the service with a cheaper boat.

94. *Mr. M. J. S. Mackenzie.*] Would it be as fast a service with a cheaper boat?—No; the "Penguin" takes an hour longer than the "Rotomahana."

THURSDAY, 18TH AUGUST, 1898.

Mr. W. GRAY, Secretary of the Postal and Telegraph Department, sworn and examined.

1. *The Chairman* (to witness).] Will you please tell us what is the amount paid annually for special trains for the San Francisco and other such mails?—About £1,000 a year.

2. Do you know what the Railway Department charges a mile for these trains?—5s.

3. And is it charged for more than one way?—Only one way.

4. What amount does the department pay to the Union Steamship Company to carry mails between Wellington and Lyttelton, and *vice versa*?—I could not give you that, but I could give you the total sum paid.

5. Between Lyttelton and Wellington?—About £3,000 a year. Of course, I could get you the other information if you wished.

6. Does that information apply to all parties?—Yes, to all parties.

7. Will you furnish us with a memorandum showing how it is divided?—You mean between the companies?

8. Between the different companies?—Yes, I will.

9. With a more regular and expeditious train-service, and with steamers connecting in the North and South Islands with regular and daily trains, do you think that the special trains would be needed?—I take it that special trains would be needed, particularly in connection with the San Francisco and Vancouver mails, as you could not always time the arrival and departure of the boats at and from Wellington and Lyttelton to suit the ordinary trains. No doubt, though, you could minimise the expense by having a regular and fast steam-service between the two places.

10. It would minimise this altogether?—Well, it would minimise it largely.

11. *Mr. Lewis.*] When you say you pay about £3,000 a year for the mails, how many do you run a week? There are some days when the steamers do not run, are there not?—Yes, that is so. I have a table here showing when the steamers left Lyttelton and Wellington. Taking the month of September, last year, there was on the average only one day a week when there was not a steamer running between here and Lyttelton; and sometimes there were two or three boats the same day.

12. So you have been getting five mails a week, practically?—Yes.

13. *Mr. Duthie.*] What is your arrangement of obligation, because we have had two hitches recently, for the distribution of the San Francisco and Vancouver mails? For instance, the Vancouver mail recently came here early in the morning, and was not despatched until 11 o'clock at night: is that in conformity with your arrangement?—On that occasion there were two steamers timed to leave Wellington for Lyttelton on the Saturday, but owing to bad weather on the coast one of the vessels did not get here at all. The Penguin had been advertised to leave after the arrival of the West Coast train, and her sailing could not be put forward. If she had not met with very