

service you would save practically £2,000 a year?—The State would save that—quite £2,000 a year; and also lessen the hindrances caused to traffic sometimes by giving these special mail-trains precedence of the other trains, when you have to put these others into sidings. This is an inconvenience to passengers, and it occasionally slightly deranges the train business, especially during the grain season.

44. Although the Postal Department pays this £1,000 a year, that does not help the distribution of the mails in the Hawke's Bay District?—No; I made an inquiry yesterday as to that. Specials are very rarely run between Palmerston North and Napier for the 'Frisco mail.

45. The mails for that district are not expedited by specials?—Not so far as I was able to learn. Mr. Gray may be able to give more information.

46. *Mr. Duthie.*] The Chairman has drawn attention that you, in stating the case, have dwelt on the inconvenience, and you have also, I observe, given the extra cost that was to be incurred. Would it be much trouble for you to let us have the case stated so that we could judge both sides—I mean an abstract of the extra cost and the savings in connection with it?—It would be rather a difficult matter to say what the increased gain would be by running this special service, with exception of the savings effected by not having to run these special trains for 'Frisco mail. If we had to run at increased speed and maintain time—say, between Wellington and New Plymouth—we must curtail the loads on the through trains. These trains are at the present time fully loaded, and when there is an extra carriage put on it occasionally means that a second engine has to be attached to assist the train. I do not see how we could give you a very reliable statement. We could give you an estimate of the increase of cost of having to run at an increased speed.

47. I do not know whether you have prejudices against the notion, but your official report reads as if you were adverse to it?—I do not think I am adverse. I have no feeling in the matter. I have been putting it different ways.

48. I would like if you could make a statement?—If I gave you any further information as to what the benefit would be, to a certain extent it would be a prophecy—you could not tell exactly.

49. You are an experienced man at the head of a department, and your opinion would be of value?—I shall be glad to put it in as favourable light as I can.

50. Now, as to the New Plymouth service. All, I understand, that would be needed would be the extending of the train between Hawera and New Plymouth on Tuesdays and Fridays?—It would mean the running of four trains per week between New Plymouth and Wanganui. The Hawera-New Plymouth trains would still have to run as at present to overtake local work.

51. Other days it stops. Wanganui is a little matter, because there is a train from Wanganui on to Hawera. One train extra a week seems a very large cost—£8,000?—That is the estimate. Direct trains and the special services would cost a good bit; and then there is the goods that would have to be shut off the accelerated through train.

52. But the other trains would not be disturbed?—No; they would run as at present, but they would have to be supplemented by running fast trains between Wanganui and New Plymouth.

53. *The Chairman.*] You say the increased facilities to be given between Wellington and New Plymouth will entail an additional cost of between £8,000 and £9,000—that is, the additional facilities, as stated by Sketch No. 2, will entail that additional cost. That is what you stated, is it not?—That is right. The additional facilities to be given under Sketch No. 2 will cost the Government Railways over £5,000 per annum for the fast trains alone.

54. Is it not a fact that the Hurunui-Bluff system is the largest contributor to the railway revenue?—Yes, certainly.

55. And in the main the most profitable?—It pays the heaviest rate of interest.

56. What I want to get at is: whether the largest contributors to the railway revenue should be placed in a worse position than the lesser contributors?—No.

57. They should have at least as important facilities?—Yes.

58. Between Christchurch and Lyttelton the first-class fare is 1s. 9d., and between Auckland and Onehunga 1s. for the same distance. Why should that be?—At the present time the 'bus competition between Onehunga and Auckland is very keen, and we are doing less passenger traffic between the two places now than we did several years ago. Although it is a good train-service the competition is so intense with the 'buses that we are going behind instead of gaining; and, if we are going to retain the present number of passengers or increase them, I think we shall have to still further reduce the charges between Auckland and Onehunga.

59. Then, in justice to the people of Canterbury, the charges between Christchurch and Lyttelton should be still further reduced?—Well, it has never been the practice of the department—

60. To consider justice?—To sacrifice revenue by making reductions in fares or freights without there were good and sufficient reasons for so doing.

61. *Mr. Duthie.*] Are you any faster then than the 'bus service?—Yes, certainly. We anticipate an electric tram system there before very long which will still further increase the competition.

62. *Mr. Lewis.*] Does the train-service between Auckland and Onehunga pay?—I cannot say.

63. *Mr. Duthie.*] Suppose the Lyttelton-Wellington steamship service was carried out and the Harbour Board was prepared to berth at the railway wharf, would it be possible for you to put the vans alongside, or the luggage-vans alongside?—The luggage-vans certainly could go alongside, and the passengers could too.

64. You see nothing inconvenient in it?—No. It is practicable.

65. Well, Mr. Ferguson's thought is to widen the wharf?—There will be no difficulties against the railway-train going alongside with facilities which the Harbour Board propose to provide at the wharf. But the starting of through trains from the Railway Wharf will very probably lead to Te Aro being ignored so far as these trains are concerned. It is for the Government to consider whether the Manawatu will be allowed to make the connection or not.

66. Well, it is to be hoped the Government will get charge of the Manawatu before long?—Yes, it is to be hoped they will.