

Mr. Vaile: Before I give an opinion about port charges, I should like to have some more information than I have at present. I do not know how these port charges are made up—whether part of them goes to the harbours or not. Before giving an opinion I should like to know that. But, speaking generally, I should say, make the port charges as much as possible a uniform rate all over. There is another great objection, I think, as to differential rating. Certain lines do not pay so good a rate of interest as others, and therefore a differential rate is put on what we may call a “poor” line in order to bring up the rate of interest on that line. Now, it is clear, if that is persisted in, it must have the effect of always keeping that district poor, and making it poorer still. I think that is a terrible disadvantage to the colony generally. Take, for instance, the Pictou line. It only paid, I think, 3s. 9d. per cent. The differential rating against that line is very heavy, and if you increase it the effect will be to make the district so poor that it can never rise. I cannot see the wise policy in imposing these differential rates. The Napier line last year earned £4 0s. 3d. per cent., and the Hurunui-Bluff line, £3 18s. 1d., a difference in favour of Napier of 7s. 4d. Here is the rating of the two lines: Goods, Class D, for fifty miles—Napier line, £1 2s. 11d.; Hurunui-Bluff, 17s. 5d.; or a differential rating against Napier, which pays better interest, of 5s. 6d. per ton. I cannot see that such a thing as that is either wise or just. Then, again, in Class E, Auckland and Napier are charged for a fifty-mile distance, 10s. 10d., and Hurunui-Bluff, 8s. 8d.—a differential rating in favour of the southern lines of 2s. 2d. There is an exception made in Auckland in favour of agricultural produce when sent direct by rail to either Auckland or Onehunga; but for any other distance it pays a higher rate. Then, on Goods, Class P, Napier pays 9s. 10d., and Hurunui-Bluff, 7s. 8d.; or 2s. 2d. against Napier. Things of that sort are eminently unjust on national railways. If persisted in, it must have the effect of seriously crippling the agricultural interests of the North Island, if it does not absolutely ruin it.

And then there are questions 629 to 697, which are as follows:—

Mr. Vaile (to Mr. Maxwell): As to differential rating, which is one of the most important questions before us, there was nothing particularly new in your definition of the term, and I have heard it all before, but I do not think you told us all its meaning. I think I shall bring absolute proof to show that it is a system of plundering your customer when, where, and how you can. I believe you approve of differential rating?—I do.

And you advocate its still further extension on our railways?—Whenever it is necessary to encourage, develop, or get traffic or revenue, there it ought to be in operation.

Is not one of your objects in differential rating to put the rates in such a condition as the public will not be able to read them?—No; certainly not—decidedly not.

I should like to read an extract from Mr. Maxwell's report for 1884. He says: “The system of rating differentially in this colony is not carried far enough, and the difficulty that stands in the way is the impatience of the public in submitting to different treatment in different cases, and the reluctance to place in the hands of the railway officers the power which would be necessary for carrying out the principle extensively. While retaining publicity by gazetted each rate, were such a principle more widely introduced the public would not be able to do what it now, to some extent, essays to do—read and interpret the rates generally; but the practice followed elsewhere would be necessary: the customer would appeal to the station each time he required a rate quoted; and whether the railways were managed by a Minister or a Board, more power and freedom in respect to rating would have to be placed in the officers' hands. The sensitiveness of the public is then the chief difficulty; but this is not allowed to intervene in cases where many millions of revenue are concerned, and can be, no doubt, overcome here by patience and time, provided the colony recognises that the principle is a desirable one, and gives the proper power to administer it. Maximum rates might be fixed by law, and a suitable court of appeal constituted to prevent abuse of the powers given.” These words are pretty clear and distinct—“that the public would not be able to do what it now essays to do.” Why should the public not read and interpret the rates?—I said that they should be gazetted, to give them publicity; but if you get a very large number of these local rates they will become voluminous, and would not be so readily read; so that it would be necessary for the public, as a rule, to go to the station to get the proper rate quoted.

And you think it would be an advantage to the public?—It would be no disadvantage; they go now to get rates quoted: every merchant does so, and it is also the practice with merchants in England, where there is differential rating, to go to the station to get their rates quoted.

On what principle do you justify differential rating on New Zealand railways?—I think I have said already that it is to encourage local industries, to meet competition, and to give facilities where they would be of advantage to the country and railway. These principles are wide enough. I will give you a case in point—Newcastle coal is largely imported into Dunedin, the Government has made a local rate in favour of brown coal, a native industry, so that the Kaitangata coal may meet the competition of the Newcastle coal in the Dunedin market.

I think you have told us that its object was to secure equality in the treatment of the public?—No, I did not tell you that.

I will read from your own writing: “Following on the inquiry of the English Committee, the President of the Board of Trade has brought down a Bill to deal with the railway traffic in which the principles of differential rating are preserved, and equality of treatment, according to Cardwell's Act of 1854, is maintained. This equality of treatment is considered generally to be obtainable only under the same conditions—that is to say, with like quantities and classes of goods from and to the same stations, all persons are insured like treatment under like conditions. A scheme which ignores the cost of the service would not give equality of treatment.” I ask you if differential rating in New Zealand does insure equality of treatment?—Differential rating and equality of treatment are two different things. You get equality of treatment if you have like rates under like conditions: that is the equality of treatment.

How do you mean equality of treatment?—Equality of treatment is only obtainable under precisely similar conditions—that is, like quantities of the same class of goods from and to the same points and in the same direction, and also a like cost of service.

Will you be good enough to explain the meaning of a ton-mile?—A ton-mile is usually held to mean one ton carried one mile.

And the cost of doing that—when you talk about ton-mileage—would mean the cost of hauling a ton a mile?—Yes, that is so.

If you will turn to your report for 1885 you will find this statement: that on the Auckland lines the cost of hauling a ton a mile is, in pence, 2·43. Does that include any charge for interest?—No; it includes working-expenses, such as maintenance of buildings, labour, loading, and unloading, &c. Interest is never counted as part of the working-expenses.

A ton-mile means, then, the cost of moving a ton a mile, including its proportionate charge for buildings, maintenance of permanent-way—in fact, everything except interest?—Yes.

Then, the cost of moving a ton a mile in Auckland during the year 1885 was 2·43d.?—Yes, that is so.

And for moving a ton in Napier it was 2·13d., and on the Hurunui-Bluff line it was 2·47d.?—Yes.

For the year we have just now got the report for, on the Auckland line it was 2·24d., on the Napier line it was 2·15d., and on the Hurunui-Bluff line it was 2·48d.?—Yes.

What is the meaning of a train-mile?—It means a train moved a mile.

Including the same charges as the ton-mile, but no interest?—Just so.

Then the cost of hauling a train is the cost of hauling one mile without interest?—Everything is included except interest. The cost is not for haulage only, but for all working-expenses.

On return No. 4 you give the train-mileage and the cost in pence: the train-mile last year in Auckland cost 51·01d., in Napier it was 46·92d., and on the Hurunui-Bluff line it was 59·45d.?—Yes.

For the year just concluded it was in Auckland 48·34d., in Napier it was 45·15d., and on the Hurunui-Bluff line 56·71d.?—Yes.

Then we have this fact established, both by the ton-mile and the train-mile, that the cheapest railway we have working is the Napier line, next comes the Auckland line, and then the Hurunui-Bluff. I cannot see where is the