

182. *The Chairman.*] That will touch on the local traffic between Levin and Marton?—No, not that particular item. The second figures show all traffic originating at or going to stations—Thorndon-Levin inclusive from and to Pukepapa—New Plymouth and intermediate stations and branches. Pukepapa is the first station on the New Plymouth line beyond Marton. The third set of figures shows the traffic originating at or going to stations Thorndon-Levin inclusive from and to stations Koputaroa-Greatford and intermediate stations inclusive; the fourth, traffic originating at or going to stations Thorndon-Levin inclusive to and from Terrace end and Napier and Wairarapa line; fifth, local traffic between stations Koputaroa-Greatford inclusive—that is, all the traffic on that section of line which is purely local, and does not pass beyond the stations named; sixth, traffic from and to Koputaroa-Greatford inclusive to and from Terrace End, Napier, and Wairarapa; seventh, traffic from and to Koputaroa-Greatford inclusive to and from stations Marton Junction and stations north thereof on the Main Trunk; eighth, traffic from and to Koputaroa-Greatford and intermediate stations to and from Pukepapa, New Plymouth, and intermediate stations and branches; ninth, traffic from and to stations Terrace End, Napier, and Wairarapa line to and from Marton Junction and stations north thereof on the Main Trunk; tenth, traffic from and to Terrace End, Napier, and the Wairarapa line to and from Pukepapa—New Plymouth and intermediate stations and branches on New Plymouth line. Now the traffic from and to all stations Thorndon-Levin inclusive to and from Marton and beyond on the Main Trunk, as well as traffic to and from Wellington-Levin inclusive from and to Pukepapa and New Plymouth, would all be affected by the deviation. The local traffic between Koputaroa and Greatford would also be affected—a portion of the Napier—Wairarapa—Terrace End traffic would have to pass round to it; and the traffic from and to Koputaroa to the Main Trunk would be affected by the deviation, as well as that from and to Koputaroa to New Plymouth. There will be additional changing to and from trains, with loss of time and other inconveniences. Assuming that this new line of railway were built, shortening the distance by fifteen miles, 146,410 passengers, representing the business under items 1 and 2 shown on the statement, would travel by that route. Assuming a minimum loss of 1d. per mile on each passenger—that is the second-class ordinary single fare without any war charge—the loss to the Department in the way of passenger revenue would be £10,982. Then there are 8,413 trucks of sheep on which you would lose 3s. 9d. per truck—that would cost £1,577; 1,060 trucks of cattle at 3s. 9d.—that is about £200; on 82,000 tons of merchandise at 2s. 6d. per ton the loss would be £10,250; on 11,500 tons of minerals at 7d. per ton the loss would be £335; and on 11,673,200 ft. of timber at 1d. per 100 ft. the loss would be £500. Then you have the interest on the capital cost of your railway, which for the moment I will put down at £400,000. The Engineer said it would cost £500,000; so £400,000 is the bedrock minimum. At 3½ per cent. that is £15,000. There will be additional train-mileage, which must be run to serve the local district or intermediate district between Marton and Levin. If we divert the expresses and one goods-train only there will be from 80,000 to 116,000 additional train-miles. For the purposes of this calculation, I am taking 80,000 miles only, and assuming the cost to be at 6s. per mile: that is £24,000.

183. *Mr. Myers.*] In estimating that number of train-miles you say you have taken into consideration that a certain number of expresses would be diverted?—Yes, I am taking the minimum diversions.

184. How many expresses?—Two Auckland expresses each way—four a day.

185. You have taken into consideration the question of diverting the New Plymouth express?—No, because the New Plymouth express carries a very large number of people for districts between Levin and Marton. If we divert that train the position is going to be very much worse. The more trains we divert from the present line the greater the increase in train-mileage, and the worse the financial position is going to be.

186. You are assuming that there will be diverted four expresses—four expresses to and from Auckland—and one goods-train?—Yes; two expresses, one goods each way.

187. Are there any more items?—Yes, provision of additional men to man the line and the tablet stations. We would require to open six or seven new tablet stations, with at least two men for manning each, together with surfacemen and gangers for the maintenance of the track. I reckon you would want thirty-seven additional men for those services. The additional staff would cost £6,000 at least. That is for the intermediates. Then there are additional junctions: additional staff must be provided for them; additional work has to be performed. You cannot establish junctions equipped with proper interlocking and additional safety signals and appliances without having additional staff; and I reckon that by the time provision is made for Levin and Marton, without being in the least extravagant, another five men will be wanted there. Put that down at £700 a year. That is roughly £70,000. That is the loss resulting from diversion of traffic, increased train-services, and additional interest charges on new capital expenditure.

188. Are those figures in any way exaggerated or are they on a bed-rock basis?—I have no hesitation in saying that in practice the actual working results would be far in excess of that.

189. You have taken the lowest possible estimate, in your opinion?—Yes, absolute bed-rock.

190. You will have £70,000 a year to make up?—Yes, at least that.

191. How are you going to do it—or are you going to do it?—There is no question as to what we shall have to do.

192. Can it be done?—It is a business proposition. There is only one way to do it—to raise the rates.

193. Is there any increase in traffic that you can expect?—Absolutely none.

194. Are we to understand that in your opinion there would be a dead loss of £70,000 per annum?—Yes, that is my opinion.

195. Is there anything else that you wish to say with regard to the question of the deviation of the line from Levin to Marton?—I say definitely that so far as the working of the traffic is concerned