

334. With regard to the handling at Foxton, Mr. Kellow says that 50 per cent. of the hemp and flax shipped there does not go by rail. Do you disagree with him?—No, I have no local knowledge of that.

335. Would you be prepared to take his figures?—Yes.

336. With regard to that, he says that your Department does no handling at all?—Of course, he is assuming there that the stuff goes into his shed. If it does go into his shed we do not handle it.

337. You get 3d. per bale on that, which is about £600 a year, and for that you do no work at all?

I do not know what we get out of it. I do not know what the revenue from flax is; but assuming that his figures are correct, that would be so.

338. And you do not do any work for it?—We do not actually handle the stuff; if we did we would charge 3d. extra for handling it.

339. Although you are collecting the wharfage?—Yes.

340. I understand that wharfage is covered in the handling?—It is all in the tariff-book here. Under the Act, where a railway-line abuts on a river we are entitled to make the charge.

341. As a matter of fact, you did not even go to the expense to deal with it: the work was done by private enterprise?—We did not ask them to put up the wharf: they did it on their own account.

342. But did they not approach you, and did they not have to put up the shed to deal with the flax and hemp?—No, they put up the shed because they wanted to dump the stuff up there. If Levin and Co. were to ask us to put a man in their shed to handle all the stuff, we should charge them 3d. per bale.

343. I understood that you were supposed to do something for this wharfage?—The charge which Levin and Co. pay to us is made under a clause in the agreement. It comes under clause (f).

344. What rent is reserved under that for the land?—£40 a year.

345. What is the £40 paid for?—£40 a year for the site.

346. And what capital value do you put down the site at?—I am not sure that it is fixed on the capital value at all. £40 a year was considered to be a fair rent for the site.

347. And in respect of the right to put the wharf there they pay you wharfage in return?—They have to pay us the tariff rates for wharfage.

348. In regard to these returns of expenditure, how many men have you at the Foxton Station?—There is a Stationmaster, a clerk, two cadets, a guard, and two porters.

349. Would the porters be allowed in the goods-shed?—They would, certainly.

350. And then you have twelve casuals. Are they employed every day?—They are employed according to the traffic. There is no permanent casual up there.

351. On the railway between Foxton and Longburn how many Stationmasters or porters have you?—About three tablet-porters.

352. How many trains, luggage and passenger, do you average on the Foxton-Longburn line: would you average two trains a day?—No, I do not suppose we would.

353. So that with that staff you only handle two trains out and two trains in per day, for goods and passengers combined?—Yes.

354. How many more trains could you handle with the same permanent staff?—It would depend entirely on the amount of business.

355. Supposing in connection with the harbour that we imported double the quantity of cargo that there is at present, putting the cargo into the goods-shed, would your present staff at Foxton be able to handle the whole of that cargo?—No.

356. Would you have to increase the number of the permanent staff?—Yes.

357. How many more trains would you require per day?—It is not a question of trains: it is a question of increase in the shipping business. There are twelve men now, and if we had double the shipping business we should require double the staff.

358. Putting the shipping business aside, supposing the Harbour Board put the stuff into your shed, could you handle it with the same staff?—No. When you increase the business you have to increase the permanent staff.

359. With regard to coal, you said you stopped bringing coal in in 1909?—No, I did not say that. I said we stopped regarding Foxton as essential as a point from which to supply our depots on the north main line.

360. Can you say how many tons you imported in 1909?—About 9,000 tons.

361. That is for the year ended 31st March, 1909?—Yes.

WELLINGTON, THURSDAY, 1ST JUNE, 1916.

RICHARD WILLIAM MCVILLY further examined. (No. 49A.)

1. *Mr. Weston.*] I was asking you about Government coal imported into Foxton. You supplied me with this return, which I now put in?—Yes. [Return put in—Exhibit M. See p. 191.]

2. That is made up to the 31st March in each year, the same as the returns of Mr. Kellow?—Yes. That is a statement of coal for the Department landed at Foxton for each year from 1905 to 1916.

3. The Foxton-Palmerston Branch is treated for book-keeping purposes as part of the North Island branches?—Yes.

4. And I find that for the year ending 1915 the total revenue derived from those lines was £2,166,669, while the expenditure was £1,535,137 3s. 7d.; so that the net profit you made on these lines for the year 1915 was £631,531 19s.?—Yes, profit on working, but not net profits. That is the difference between the cost of operating and earnings.